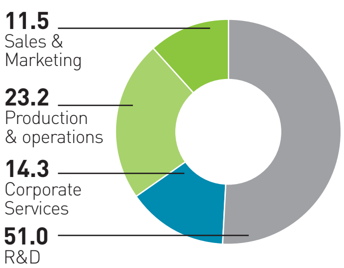
EVS

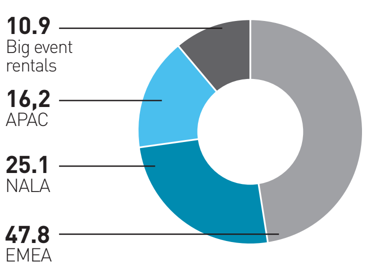
ANNUAL REVIEW 2014

CONTENT

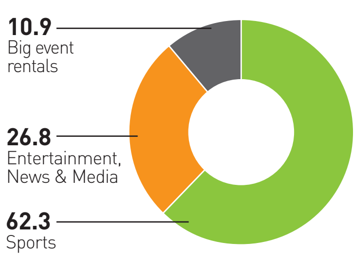
BREAKDOWN OF STAFF BY DEPARTMENT
(AS OF 31 DECEMBER) (%)



SPLIT OF 2014 REVENUE BY REGION
(%)



SPLIT OF 2014 REVENUE
(%)



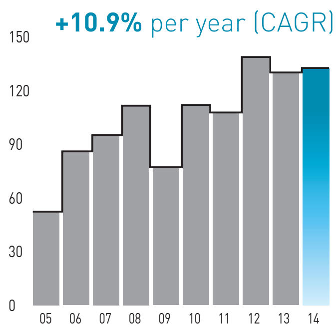
WHO ARE WE?

EVS is a company headquartered in Belgium, with around 20 offices in Europe, the Middle East, Asia and North America.
Its 512 employees sell its branded products in over 100 countries, and provide customer support globally. Founded in 1994, its innovative Live Slow Motion system revolutionized 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.

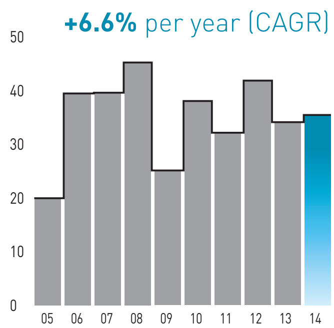
WHAT DO WE DO?

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.

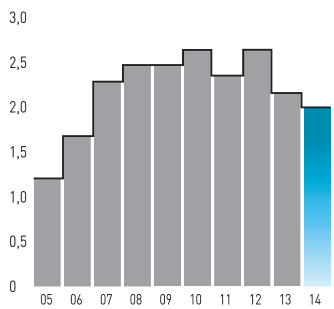
REVENUE (EUR MILLIONS)



NET PROFIT (EUR MILLIONS)



GROSS DIVIDEND PER SHARE, AFTER SPLIT (EUR)



2015 A TRANSITION YEAR

After 2014, which was marked by a record rental income related to major sporting events but also affected by the persistence of a weak macroeconomic environment, we are looking towards the future and 2016 with confidence

Three questions to
Pierre Rion,
Chairman of the Board

Muriel De Lathouwer,
Managing Director & CEO

HOW CAN WE CHARACTERIZE THIS YEAR 2014?

MURIEL DE LATHOUWER — EVS sales reached EUR 131.4 million, a slight increase compared to 2013. This year marked the 20th anniversary of the company, but there were also major sporting events as the World Cup and the Olympic Winter Games where EVS stood out once again by the high quality of services provided. This performance resulted in a record level of EUR 14.3 million rentals for these events for the year. This good news combined with the strong performance of the market share in our various activities, allowed to record a turnover slightly up in a complicated macroeconomic environment throughout the year.
The long-term growth drivers remain numerous (HD, 4K, multi-platform distribution, live shows, etc.), but the investment processes of our customers seem to have been temporarily disconnected from this dynamic. In this

EUR 131.4 MILLIONS

SALES IN 2014

+4.4%

NET PROFIT

context of pressure on our revenue, management worked hard to keep operating costs under control. Their growth has been reduced to 6.7%, against 11.0% growth in 2013 and 11.6% in 2012. Net profit grew with 4.4%, thanks to the capital gain on the disposal of dcinex and at an improved tax rate.

PIERRE RION — Taking the financial strength of EVS into account, the confidence in future growth prospects, but also the significant investment in the new operating headquarters in Liège, the Board will propose to the Ordinary General Assembly to distribute a total gross dividend of EUR 2.00 per share (including the interim dividend of EUR 1.00 distributed in November 2014), a decrease of 7.4% compared to 2013. This represents a 76.0% payout ratio, in line with our dividend policy.

CAN YOU TELL US ABOUT THE RECENT ORGANIZATIONAL AND STRATEGIC CHANGES?

PIERRE RION — In October 2014, EVS announced the departure of the CEO Joop Janssen, due to differences of opinions on how to implement the long-term strategy. In the weeks that followed his departure, Muriel De Lathouwer, appointed President ad interim of the Executive Committee, proposed to the Board and implemented a new internal organization, which will optimize some decision-making processes and better serve our four key markets: Sports, Entertainment, News and Media. In February 2015, we appointed Muriel as Managing Director & CEO of the company.

MURIEL DE LATHOUWER — This year 2014 also saw the scope of EVS evolve, with the sale of all shares in dcinex (active in digital cinema), and the acquisition of the remaining shares in SVS and DYVI, active in the development of video mixers based on IP technologies. As announced, EVS is focussing on its core activities in the broadcast industry, and investing in new technologies.

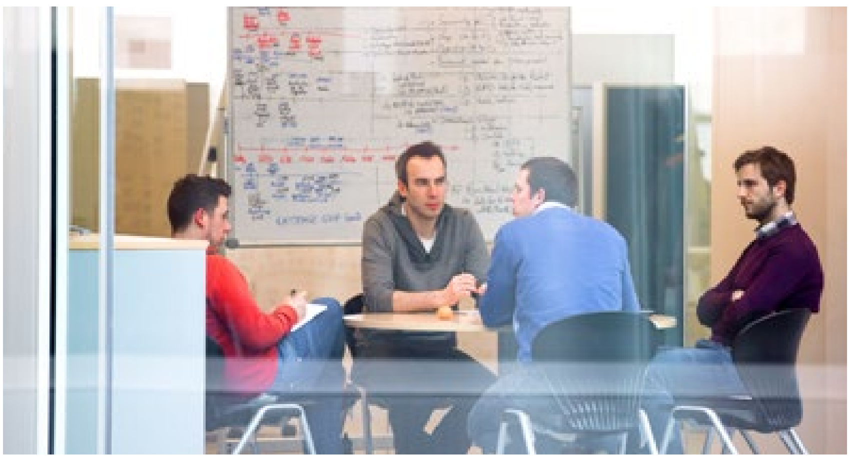
AND WHAT ABOUT THE FUTURE? WHERE DOES EVS GO ?

MURIEL DE LATHOUWER — 2015 will bring new challenges and projects to EVS.

The move to the new headquarters in Liège is one of these. This transition year will also be utilized to further professionalize our internal organization.

PIERRE RION — We look to the future with serenity. We are confident that we have all the professional skills to continue growing successfully in the coming years.

Thank you to our customers, our suppliers and our shareholders for their confidence. Together we want to continue to write the future of EVS.



+ **Find out more online**
www.evs.com

HIGHLIGHTS 2014

CUSTOMERS

— **FOX Sports** in the US utilizes EVS equipment, including the 4K replay systems with integrated zooming capability, for the production of NFL Super Bowl XLVIII and associated pre- and post-game activities.

— **The Emir's International Equestrian Sword Festival** is one of the most prestigious horse racing events in the international calendar. It takes place in the Qatar Racing & Equestrian Club (REC), which features a state-of-the-art video production, broadcast and archive workflow built around EVS technology.

— **Shine Australia,** fast-growing and successful creator and producer of media and entertainment brands (such as The Voice or MasterChef), implements a new high-definition studio production workflow powered by EVS solutions, including the new XDCAM capability of the XT3 server.

— **Infostrada Creative Technology** selects EVS' solutions for a new reality TV format, Utopia. Seamless integration between EVS' XS media server and Infostrada's online content management platform Centralparq, enable continuous processing and the delivery of audio and video content for the show.

— **TV Peru** implements a new tapeless workflow based on EVS' XS production server designed specifically for studio applications. The four-channel XS server eases TV Peru's migration to HD. TV Peru also selects the six-channel XTnano HD/SD slow motion replay server for its OB van that covers a wide range of live sports and cultural events.

— **Eclair Group** (Paris), one of the largest digital service providers for the film and TV industries, puts an EVS OpenCube HD/SD server at the center of its mobile post-production facility to ingest, transcode and master the films for screening at the prestigious 2014 Cannes Film Festival.

— **HuskerVision,** a state-of-the-art media organization dedicated to the University of Nebraska sports teams, implements a new live production workflow with EVS' XT3 media production server and the C-Cast connected content platform, enhancing the content that fans view on screens and mobile apps throughout the University of Nebraska's stadium during games.

— **The One Show,** BBC daily television program, broadcast live on BBC One and BBC One HD, uses EVS' live video production solutions to drive its live entertainment production workflow. The EVS kit sits at the heart of the BBC studio built on purpose at the BBC Broadcasting House headquarters in London.

— **Euronews,** the top news channel in Europe, contracts EVS to enable its live and studio-based news productions. As the news broadcaster moves to HD, EVS XS media servers and IPDirector live production asset management suite sit at the heart of the new Euronews Live workflow.

— **Getty Images,** partners with EVS to provide a comprehensive archive solution to Qatar Olympic Committee.

— **Mega,** Chilean television network, implements a new file-based workflow from EVS for the production of its live entertainment programming, based on multiple XS production servers and the IPDirector asset management suite.

— **Pramaya TV,** part of India's Summa Real Media Group, selects a HD news workflow from EVS for its News 7 channel. The workflow, which uses the DVCPRO-HD file format (on the XS server), is tightly integrated with other components and can be managed from a central location.

CORPORATE

— **EVS sells its 41% stake in dcinex to Ymagis SA.** dcinex was created within EVS in 2000. In 2004, it was decided to spin it out. With the continued support of EVS, dcinex developed itself to become a leading provider of digital cinema services in Europe.

— **EVS appoints Muriel De Lathouwer as President of the Executive Committee** following the departure of Joop Janssen (Managing Director and CEO of the company), ad interim. In February 2015, she is appointed as Managing Director & CEO.

— **EVS starts to move** to its brand new state-of-the-art new facilities in Liège, gathering all employees from the 6 different sites in the Liège area.

— **EVS acquires** remaining shares in SVS and DYVI, active in the development of video mixers.

BIG EVENTS

— **Winter Olympics:** EVS, at the heart of the games production workflow, is also selected by NBC Olympics for its coverage of the games. The workflow is based on more than 70 XT series production servers, 50 IPDirector workstations and other EVS solutions.

— **World Cup:** FIFA's dedicated host broadcaster HBS and EVS extend their long-standing collaboration to work on the 2014 FIFA World Cup™ in Brazil. HBS deploys and integrate EVS advanced technologies, including live multi-format production tools, central media exchange and multimedia distribution platforms. The multi-screen production will receive multiple awards later in the year.

— **Commonwealth Games, Asian Games and Youth Olympic Games** also rely on EVS for bringing these sporting events to television worldwide.

PRODUCTS

— **NAB tradeshow:** EVS presents its latest developments at the NAB tradeshow in Las Vegas, including new developments on the XT3 platform, the next XS server generation (designed to streamline video production), the C-Cast Xplore web-browsing interface (first presentation in the US) and the XS Newsflash (compact and cost-effective end-to-end solution for small newsroom).

— **IBC tradeshow in Amsterdam:** EVS presents its latest developments, such as EVS live PAM suite IPDirector (including its new tools such as Archive Melt or AutoClipping), the OpenCube server, the C-Cast multimedia delivery tool, the advanced integration with Adobe and the Epsio Paint graphic tool.

— **FanCast** is an easily implemented, all-in-one recording, production and multi-screen box. Combining EVS tools, it enables the production and delivery of live and near-live content to fans through in-stadium screens, as well as direct to attendees' connected screens, including smartphones and tablets.

Find out more online
www.evs.com

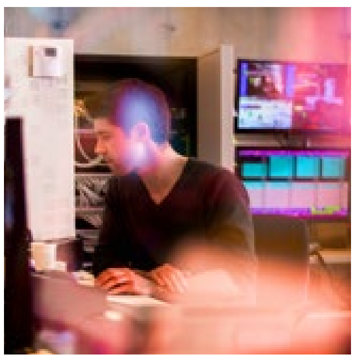
OUR SOLUTIONS

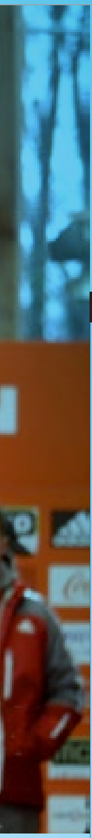
A strong integration between its performing and reliable technology platforms, a wide range of applications and top quality service, these are some of the EVS' fundamentals

The XT3 hardware platform is the core of the EVS solutions. This hardware platform has established itself as the fastest, most reliable and most utilized broadcast tool for live production. The intimate partnerships developed between the EVS teams across the globe and the world's leading broadcasters have led to significant development around its core foundation. Empowering the hardware platform with a multitude of software applications has given broadcasters the ability to manage, control, browse, edit and orchestrate the media across a complete network of interconnected technologies.

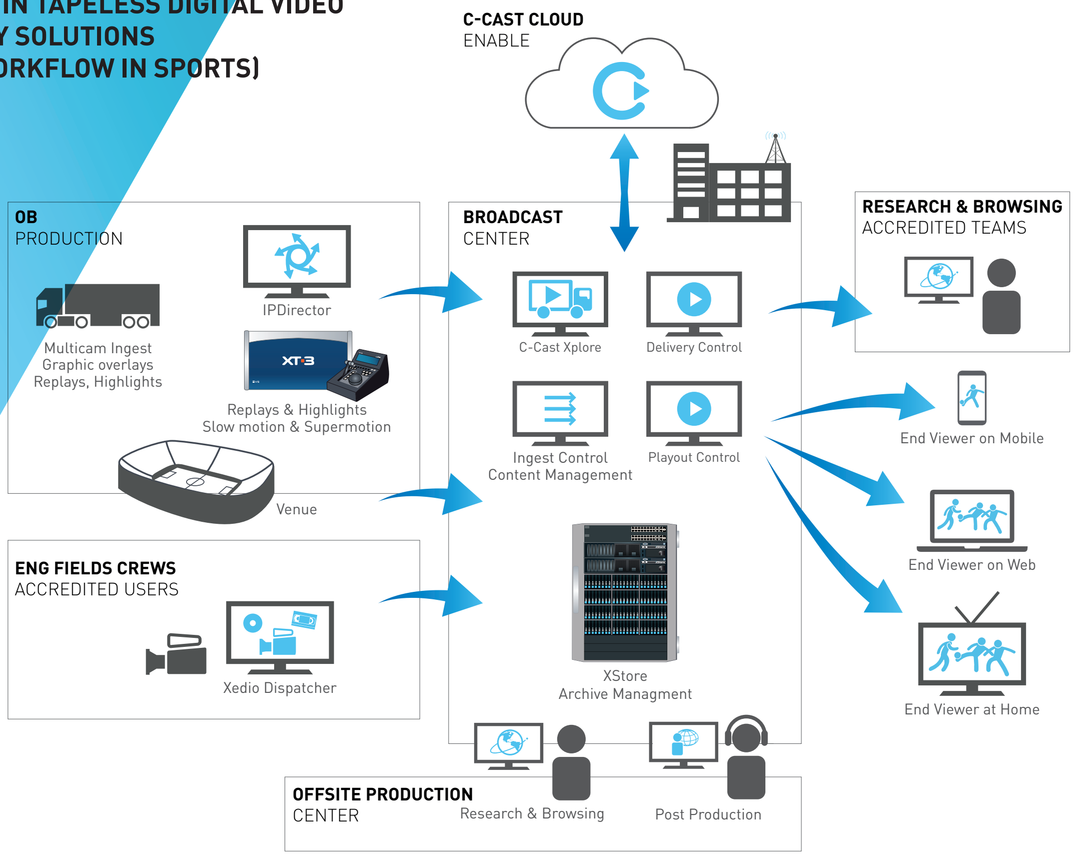
TARGETED APPROACHES FOR DIFFERENT MARKETS

EVS has identified four attractive markets, which present growth opportunities for the company in the long term: Sports, Entertainment, News and Media. Each of them has the flexibility to better target its market needs and develop the appropriate solutions that are deployed with the general EVS workflows.





THE EXPERT IN TAPELESS DIGITAL VIDEO TECHNOLOGY SOLUTIONS (GENERIC WORKFLOW IN SPORTS)



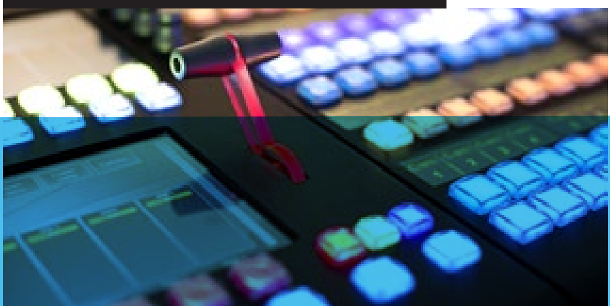
Find out more online
www.evs.com/solutions

STRUCTURAL GROWTH DRIVERS

TV stations are investing to move to new and more efficient production workflows, benefiting from the flexibility of tapeless server technologies. EVS is also benefiting from other growth drivers such as the transition from standard definition (SD) to high definition (HD) and soon ultra-high definition (UHD), the increasing number of cameras (including more specific cameras that ingest more pictures per second), and remote production tools, the fast developments in emerging markets, the "second screens", and an increased focus of broadcasters and advertisers on large popular sport broadcast and live entertainment shows.

The IP network based technologies will also, in the medium term, drive investments for the customers. They should help them to be more efficient and allow them to design more flexible production models.

Since its creation in 1994, EVS tries to identify the major technological trends that may have an impact on the production workflows in the broadcast industry, while being very attentive to the customer needs. This approach allows EVS to build long-term partnerships with its customers and to offer targeted solutions for their needs.



DYVI LIVE
CREATE, CONTROL, CONNECT

The DYVI production suite is a whole new approach to live content creation. Taking advantage of the latest IT technologies, DYVI puts the broadcaster in control, and makes collaborative remote production a reality. Users can access and manage all their feeds in real time, from anywhere in the world.

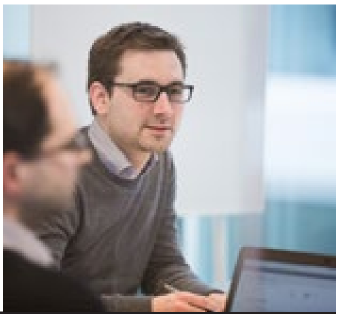
With the investment made in SVS and DYVI in 2013 (now both fully owned since December 2014), EVS gets access to a promising network-based technology. The products developed by SVS and sold under the DYVI brand name are IT-based video mixers. They offer unprecedented creativity, simple and secure operations along with high technical reliability, all in a cost effective, tailored and highly reliable package. With a powerful combination of enterprise-level IT hardware, creative software and a highly intuitive user interface, DYVI is transforming the way video is produced.

The key benefits of the DYVI mixers are:

- creative power: all needed Keyers, Layers, RamRecorders and Digital Video Effects (DVE);
- simple control, easy to configure and easy to use;
- solid technical platform: modular and scalable components, built on enterprise-grade IT elements;
- future-proofed: ready for 1080p today, and 4K and more tomorrow;
- optimized for decentralized & distributed production;
- all live, real-time and uncompressed.

SPORT

DELIVERING ON THE **BIGGEST SPORTING STAGES**



The sports media business is undergoing rapid changes, with more competition than ever for viewers. The partitioning of content rights, merging of IT and traditional broadcast technology, as well as the proliferation of competing digital media platforms and viewing devices, are causing important technical and business opportunities and challenges. EVS helps its customers to take on these challenges successfully, giving them the time and security to enrich and add value to their content. EVS Sports brings together the industry's most reliable live production controllers, novel highlight creation and content management suites, resourceful archive monetization tools, and instant multimedia delivery platforms.

LIVE SPORTS

With unique loop recording technology and LSM (Live Slow Motion) software, EVS' XT series servers continually set the industry standard for speed, precision and reliability. Outside broadcast producers and facility companies have come to rely on EVS technology for the production of live events requiring a high performance level for the acquisition of multiple camera feeds, instant production operations such as: Live Slow Motion, Super Motion, Ultra Motion replays, the insertion of analytical graphics on live programs, as well as on-the-fly highlight creations.

SECOND SCREEN MEDIA DELIVERY

In today's challenging sports media environment of rights distribution partitioning, broadcasters must be able to deliver concurrently dedicated content on multiple platforms such as TV, web, mobile phones, tablets or connected TV, to their viewing audiences.

EVS' new "Cloud-Cast" (C-Cast) solution is designed to facilitate the distribution of live media directly to consumers via dedicated web applications. Using tablets, mobile devices or web interfaces, C-Cast works in conjunction with EVS' live production applications, allowing viewers to access key sequences, specially edited packages or multi-angle camera shots.

SPORT BROADCAST CENTERS

EVS provides maximum efficiency for demanding programming such as sport productions where deadlines are extremely tight. EVS' integrated solutions offer a robust, lightning-fast method to record, edit and play back countless hours of game coverage and post-game interviews required for live shows and sports programming. Intuitive tools, including remote production tools, enable all clips to be logged and stored, allowing any producer or editor instant access to all online and near line media.

ARCHIVE MANAGEMENT

Today, sports media management can be complex due to rapid increases in content volume spread over countless platforms. The use of various media file formats also contributes to this environment of complexity. At the same time there is an issue of diminished value of unused content. EVS has developed a centralized media management system, based on integrated hardware and software tools guaranteeing quick and easy access to media, while simplifying the promotion and distribution of sport content.

ENTERTAINMENT

ENABLING **CREATIVE** PROGRAMMING

EVS technology is designed for fast turnaround productions, offering multichannel servers to broadcasting companies seeking to boost the creativity, efficiency and speed of their production workflow

The rise of live TV shows and reality programming requires the near real-time interactivity and ultra-fast turnaround first pioneered by live sports and news. Studio and on-site productions are fast adopting tailored, open entertainment workflows for the flexibility they provide.

Our advanced server-based solutions provide concerts, stage shows, reality TV, talk and game shows and TV series with ultra-reliable playback and recording, and the tools to enable efficient editing and enrichment of content in a highly collaborative, integrated environment.

EVS production servers expedite and optimize ingest to post-production operations by enabling reliable recording solutions, immediate access to all recorded media, instant media exchange, on-the-fly media conforming and reduced time between recording as well as post-production processes.

NEWS

GETTING **NEWS** TO AIR **FIRST**

Speed makes all the difference in live and breaking news. The EVS practical innovations provide ultra-fast, modular, scalable and open systems that deliver outstanding returns on investment

Modular solutions include real-time, multi-source ingest, editing and playback and now the ability to deliver quality content instantaneously to multiple screens. They provide the rapid, highly reliable workflows for the lightning-fast, continuously evolving news environment.

Solutions also enable significant workflow streamlining with ultra-high performance exchange and editing tools, as well as seamless integration with most existing newsroom infrastructures.

EVS offers solutions for end-to-end news workflow needs, local newsroom productions and ENG In-Field operations.

MEDIA

ENABLING RELIABLE **MXF WORKFLOWS**

With an explosion of media file formats and workflows, content owners are struggling to keep pace. The growing need for film studios, broadcasters, post houses, archive libraries and enterprises to manage, monetise and repurpose media content has delivered a media minefield

Production workflows have progressively become more and more complex: often media clips have to be sent to several destinations in different formats while preserving quality. The way files with metadata are ingested will ensure genuine interoperability throughout the workflow.

EVS technology and services enable open and highly flexible media asset lifecycle management throughout the entire production workflow – from ingest and production to archive and distribution.

EVS delivers increased efficiency and flexibility in a media workflow. By producing once, and distributing in multiple formats, the company makes media work simpler.

EVS' central storage solutions extend its live production workflow capabilities. Ensuring the continued existence of audiovisual heritage for the long term is now common for companies.

The EVS solutions for archive management offer a set of software tools to centrally manage the different platforms of the workflows, including their formats, and allow for intelligent media browsing based on metadata and logging.

OUR **KEY PRODUCTS**

EVS' solutions are based on modular architectures.
Here are some of our key products.

VIDEO SERVERS

XT3
Production and playout server

The XT3 is a production server (up to 12 HD/SD channels, 6 3D channels and 3 4K/UHD channels) which allows recording, controlling and playing media in real time. Combined with the LSM, it is the ideal solution for live sport productions. Able to record multiple cameras in a synchronized way, the XT3 is also an asset for multicam studio productions, live or recorded.
Its unique features are:
— Continuous loop recording (even during replays).
— Most reliable server on the market.
— Instant response (real time encoding and decoding).
— Open architecture for maximum interoperability with third-party systems and numerous existing codecs.
— Dual powerful networking with immediate content sharing.

XTnano
Production and playout server

The XTnano is a 4 or 6-channel HD/SD slow motion replay entry-level server.
Designed for live sport productions requiring simple workflows, XTnano is the perfect toolbox for essential high-speed operations with maximum reliability. XTnano offers a flexible configuration.
With its GigE networking capabilities, A/V files can be instantly transferred to all standard edition and archive systems.

OpenCube HD/SD
Ingest platform based on the MXF standard

The OpenCube HD/SD is an MXF ingest server (natively supporting numerous formats, including XDCamHD®, Jpeg2000, ProRes®, AVC-Intra, Uncompressed, DNxHD®). MXF files (SMPTE compliant) are automatically created providing maximum interoperability in any production and post-production environment.

XS
Ingest and playout server

The XS is a 12-channel server designed for multi camera studio productions in SD or HD. It reduces post-production time, increases efficiency and is cost-effective. Its main assets are native support of multi-formats and codecs, interoperability and control with third-party systems or powerful networking with immediate content sharing.

XS NewsFlash
All-in-one News Production Workflow

XS NewsFlash is a concept 'in-a-box' that has the power to take care of all news production needs. It can be delivered as a failsafe disaster recovery system or configured for smaller newsrooms and production suites.
XS NewsFlash comes in two versions pre-configured, so all is needed to do is plug in and play.

MEDIA TRANSFER AND EXCHANGE

Ingest Funnel
Mastering media workflow

Ingest Funnel is a unique portal and single interface that transforms, legalizes and masters all ingest formats and content, towards ready-to-air, archive and post-production formats.

XFConverter
Multi-purpose file converter

The XFConverter is a cost effective alternative to traditional transcoding tools. It enables to rapidly rewrap container formats and transfer media files between leading production systems and broadcast servers without modifying their video/audio essences.

XFReader
Play back of MXF and GXF files

The XFReader is a high-performance viewer enabling browsing of MXF and GXF files, whatever their wrapped essence format.
The XFReader is completely agnostic to any HD or SD video format.

ARCHIVE

MediArchive Director
Digitization and archive management solutions

The MediArchive Director offers a set of software tools to centrally manage the different platforms of the workflows, including their formats, and allows intelligent media browsing based on metadata and logging.
Fast and easy delivery is handled automatically by the central tool, which manages automated media digitization, rewrapping. It also controls all the necessary robots.

STORAGE

XStore — Broadcast shared storage

XStore is a flexible, customizable and scalable storage solution. XStore Production (bandwidth optimization), XStore Archive (optimal capacity) and XStore HE (powerful online and near-line storage for live and near-live productions) all target different needs. In all cases, it allows advanced interoperability with 3rd party non-linear editors (Adobe, Avid, Final Cut Pro).

XFly2 — Platform for portable storage

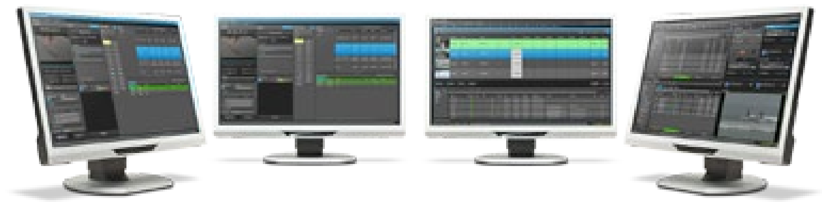
The compact and portable platform contains eight hard drives, providing up to 20 TB of capacity (up to 320 hours of HD at 100 Mbps). This tool offers XT/XS operators an easy way to carry out full production or clips. The XFly2 is easy to connect to Avid or Apple post-production tools.

CONTROL

LSM

Live slow motion control and creation of playlists

The "Live Slow Motion" LSM offers extremely performant live replay control and playlist creation solutions. Loop recording and access to the recording train means the user never loses shots. Targeting sport and other live event productions, the LSM, combined with the XT3 or XTnano server, guarantees an unlimited level of reliability and functionalities. It manages all types of replays (from -400% to +400%), including Super Motion (2 to 3 times the speed), Hyper Motion (e.g. 200 images/sec) or Ultra Motion. Furthermore, it offers a range of on-the-fly editing possibilities.



IPDirector

Production content management

The IPDirector is an integrated suite of video production management applications that gives total control of the video and audio feeds via the XT3, XTnano or XS video server.
The IPDirector allows to easily ingest, log, manage, search, track, edit (via IPEdit), create clips and highlights, browse and ultimately play out any video or audio content instantly. The windows based GUI makes it easy to learn and use. With the IPDirector, complete control of one or more XT3, XTnano or XS servers is at your fingertips.

MultiReview

Advanced multi-camera review solution

Thanks to access to every camera, MultiReview extends the capabilities of LSM operators. Now directors and replay operators can browse camera angles simultaneously and keep a record of selections, so live replay and editing decisions can be made instantly.

LSM Connect

Enhanced content and playlist management

The LSM Connect is a tablet-based solution for clips and playlist management. It gives instant access and control of all clips and playlists created during live broadcast production. LSM Connect offers to the operators unmatched flexibility to live OB operations, giving editors time to focus on adding creative value to their programming.

GRAPHICS

Epsio Live — Sports graphic tool integrated to the LSM

LSM operators can, with Epsio Live insert graphic overlays in real-time or in instant replays, adding value to commentators' live analyses without additional resources.

Epsio FX — Special video effects a touch away

Epsio FX allows to quickly and easily add special effects to playlists in order to create sophisticated highlights. Working in conjunction with the LSM and LSM Connect, the Epsio FX eliminates complex post-production video effect processes and delivers fast, worry-free special effects.

SERVICE

From consulting to maintenance

On top of strong products and software applications, EVS is committed to the highest level of service. It covers different areas, including workflow and process consulting, installation, maintenance, upgrades, and user training. For specific events, EVS also proposes rental contracts for its servers and applications, in order to meet its clients' needs. The foundation of this great service quality is the EVS team, available and responsive, in constant interaction with its customer base and user community.

EDITING

Xedio

News and highlights production

Xedio is a modular application suite for the acquisition, production, media management and the playout of news and sport media.
Xedio is articulated around three main groups of tools: ingest and playout; production, editing and rough cut; and media management.
Xedio provides interoperability with third-party products like archiving, NRCS, MAM, storage and graphics in both HD and SD.

NEW MEDIA

C-Cast

Connected Content Platform

C-Cast is a platform that enables content owners to maximize the value of media by connecting live content with production teams, accredited teams and final viewers. It allows offsite production teams, accredited teams to access and take advantage of unseen, unused and exclusive content, to benefit from unique instant distribution possibilities, extend event coverage reaching new audiences, boost audience engagement and to generate new revenue.

OUR **CORPORATE SOCIAL RESPONSIBILITY**

There are many ways for a company to put its values into practice and demonstrate its commitment to the environment, its employees and the community in which it operates. This long term commitment is an integral part of EVS' culture and values since the company's creation

THE ENVIRONMENT

Since its creation in 1994, EVS has been mindful of its impact on the environment. Over the years, decisions have been taken in order to honor this commitment. The new headquarters and innovation center, located in a wooded environment near Liège gathers, since 2015, all employees who were in the past split in six different building in the same area. It provides them with an improved working environment, increasing efficiency and internal communication. It uses a lot energy-saving methods, such as "free cooling" to cool premises subject to major temperature variations, low-energy lighting, thermally activated systems (cold water circulated in the tiles, at the basis of the air-conditioning system), recuperation of the heat generated by the servers (at the basis of the heating) or the external blinds (ensuring a better protection against the heat of the sun). It is expected to receive a positive rating according to the BREEAM evaluation method.

Through its activities, EVS also further helps reducing the environmental footprint of the broadcast industry. As an example, EVS develops solutions to allow its clients to produce or access the video content from a remote location, allowing operators to dramatically reduce their travel. For instance, during major

sporting events, broadcast production tools favor image sharing between the event venue and the television channel. This greatly reduces air travel for a large number of people.

THE EMPLOYEES

Employees are the main assets of EVS. They develop the solutions, offer them to customers throughout the world, install them and provide the necessary training and maintenance.

Therefore the management of the company puts special attention to offer employees a working environment based on personal development and respect for the individual.

This includes, among others:

- an attractive workplace (open and luminous building in a wooded environment, cordial company cafeteria, etc.);
- listening carefully to people, internal training programs for new employees;
- numerous activities organized by and for the employees aimed at building the team spirit, such as departmental incentives, various company events (some of which also include spouses and children) or incentives to practice a sport in the neighborhood;
- a competitive global remuneration package in relation to the skills and experience of each person, accompanied by company profit sharing programs.

This policy is bearing fruit and reinforces a sense of belonging. The turnover rate remains particularly low despite the young average age of the company's employees (36 years).

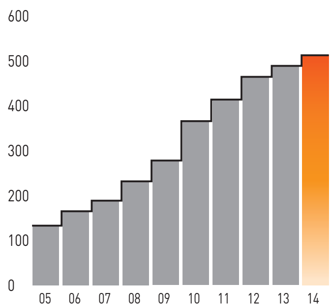
THE COMMUNITY

EVS has a strong regional anchor and tries to participate in the development of the communities in which its offices are located. The company builds partnerships with local suppliers, actively supports cultural and social projects and encourages its employees to do likewise in their own environment through targeted sponsoring.

MORE THAN 85

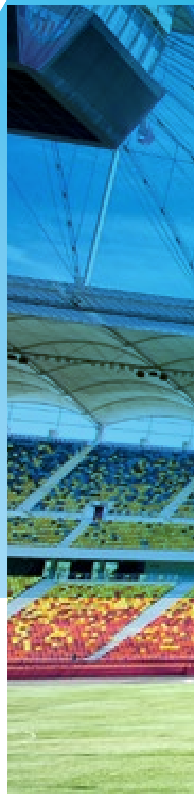
PROJECTS TO A SPORTING, CULTURAL OR SOCIAL PURPOSE WERE SUPPORTED BY EMPLOYEES OF EVS IN 2014

NUMBER OF EMPLOYEES - FTE (31/12)



Find out more online
www.evs.com

SHAREHOLDERS' INFORMATION



EVS SHARES

EVS capital is represented by 13,625,000 shares without nominal value. Since December 15, 2011, EVS shares are either registered or dematerialized (and must be registered in a securities account).

At December 31, 2014, there were 897 shares still to be dematerialized, or 0.01% of the capital of the company.

STOCK MARKET AND LISTING

EVS shares are listed on the continuous NYSE EURONEXT Brussels market under the ISIN code BE0003820371.They were listed in October 1998 at a price of EUR 7.44 (EUR 37.20 before split). The share was split into five on June 5, 2005. EVS is part of the Next150 and BelMid indices.

As of December 31, 2014, EVS was also eligible for the new Equity Savings Plan for Small and Medium Size Enterprises in France ("plan PEA-PME").

During 2014, the maximum value reached by the stock price was EUR 47.97 on April 4, 2014 and the minimum value of EUR 23.52 was reached on October 20, 2014. EVS had a market capitalization of EUR 407.3 million at December 31, 2014 with a share price of EUR 29.89. In 2014, the EVS shares decreased by 36.4%, while the BEL20 increased by 12.4%, the Dow Jones Europe 600 Technology™ by 7.1% and the Nasdaq Composite by 13.4%.

During 2014, around 127% of the company's shares were exchanged, an average of 66,574 shares were traded daily on NYSE-Euronext and the other trading platforms, which represents EUR 2.5 million. Adjusted for an average free float of 94%, EVS had a velocity of 135.3% during 2014.

DIVIDEND

As from 2013, the Board of Directors has established a dividend policy which aims at paying a high portion of the net profit, taking into account the cash needed to finance the company's growth with a maximum payout ratio of 100%. Since its IPO in 1998, EVS has always paid a dividend to its shareholders. In addition, in 2006, the company initiated the payment of an interim dividend at year end.

The prospectus announced a payout ratio of 30%. This ratio has evolved from 60 to 125% since 2004. The dividend yield varied from 4% to 10% over the same period, while the average payout ratio was around 85%.

For the 2014 fiscal year, the Board of Directors will propose to the shareholders, at the Ordinary General Meeting of May 19, 2015, the approval of the distribution of a gross dividend per share of EUR 2.00, of which EUR 1.00 was paid as an interim dividend in November 2014. If approved by the Ordinary General Meeting, the remaining gross dividend of EUR 1.00 (or EUR 0.75 net of Belgian withholding tax of 25%) will be paid on May 28, 2015 against coupon #20 (ex-date: May 26, 2015; record date: May 27, 2015).

The Board proposal for 2014 represents a payout ratio of 76.0% and a dividend yield of 5.4%.

SHAREHOLDING

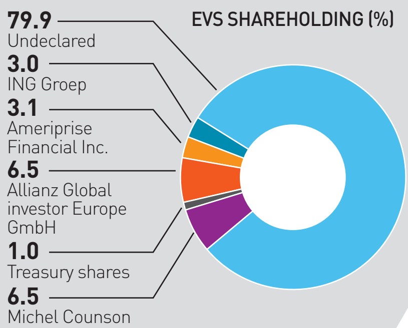
Shareholders have an obligation to report the percentage of EVS shares they hold when this percentage crosses upwards and downwards the treshold of 3% (a condition imposed by the articles of association) and for any multiple of 5% (a requirement of the Companies Code). The percentage of shares held must be calculated based on the number of shares outstanding (13,625,000 shares at the end of 2014).

At December 31, 2014, the shareholding of EVS Broadcast Equipment was as follows (from recent statements received by the company and the position of treasury shares at December 31, 2014). For more details about the shareholding, please refer to the Statement of Corporate Governance in the second part of the annual report.

THE EVS SHARE OVER THE LAST 10 YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Number of shares issued (average)	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000	13,736,111	13,875,000	13,875,000	13,948,973	14,075,000
Number of shares issued (31/12)	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000	13,875,000	13,875,000	13,875,000	14,075,000
Average number of shares, excl. own shares	13,513,053	13,480,715	13,449,081	13,465,244	13,511,048	13,554,643	13,578,250	13,587,090	13,630,464	13,716,934
Average free float	93.5%	93.5%	93.5%	88.5%	82.8%	80.9%	79.5%	77.4%	75.0%	67.5%
Annual volume[1]	17,242,611	14,884,293	8,758,751	16,614,717	13,166,859	15,990,689	13,393,117	8,938,624	10,109,440	10,366,182
Average daily volume (number of shares)[1]	66,574	58,600	34,348	63,904	51,034	62,463	52,317	35,053	39,645	40,335
Average daily volume (EUR)[1]	2,459,901	2,888,959	1,383,196	2,726,774	2,154,676	2,318,011	2,731,703	2,220,117	1,545,759	944,646
Standard velocity[2]	126.6%	109.2%	64.3%	121.9%	96.6%	116.4%	96.5%	64.4%	72.5%	73.6%
Adjusted velocity - Average free float[3]	135.3%	116.8%	68.7%	137.8%	116.8%	144.0%	121.5%	83.3%	96.7%	109.1%
Average annual share price (EUR)	36.95	49.30	40.27	42.67	42.22	37.11	55.78	61.27	38.99	23.42
Closing share price (EUR)	29.89	46.99	44.40	39.49	47.90	44.80	25.50	79.60	43.80	28.69
Highest share price (EUR)	47.97	57.19	46.00	48.30	49.49	53.24	80.39	83.86	44.85	31.85
Lowest share price (EUR)	23.52	39.88	34.97	34.10	31.97	21.22	21.00	42.50	27.85	16.05
Market capitalization (average, EUR millions)	503.4	671.7	548.7	581.4	575.2	509.7	773.9	850.1	543.9	329.6
Market capitalization (Dec. 31, EUR millions)	407.3	640.2	605.0	538.1	652.6	610.4	353.8	1.104.5	607.7	403.8
Gross dividend (EUR)	2.00	2.16	2.64	2.36	2.64	2.48	2.48	2.28	1.68	1.20
Net dividend (EUR)	1.50	1.62	1.98	1.77	1.98	1.86	1.86	1.71	1.26	0.90
Dividend yield (gross dividend on average share price)	5.4%	4.4%	6.6%	5.5%	6.3%	6.7%	4.4%	3.7%	4.3%	5.1%
Share buyback/share	0.36	0.00	0.00	0.17	0.27	0.05	0.52	0.16	0.47	0.16
Basic EPS (EUR)	2.63	2.52	3.10	2.38	2.82	1.88	3.33	2.91	2.89	1.46
Payout ratio (gross dividend on basic EPS)	76.0%	85.7%	85.2%	99.2%	93.6%	131.9%	74.5%	78.4%	58.1%	82.2%
Price/earnings ratio (average on current EPS)[4]	14.0	19.6	13.0	17.9	15.0	19.7	16.8	21.1	13.5	16.0

[1] Source: volumes according to NY SE-Euronext until 2008; as from 2009, the source is Fidessa, which also includes the exchanges made on alternative platforms.
[2] Standard velocity represents the annual volume traded on the stock market expressed as a percentage of the total number of the company's shares.
[3] Adjusted velocity represents the annual volume traded on the stock market expressed as a percentage of the average free float.
[4] The price/earnings ratio is the average share price for the year divided by the current EPS over the same period.



GENERAL MEETINGS

Each year since its IPO in 1998, EVS holds its Ordinary General Meeting on the third Tuesday of May. Shareholders are invited to participate in this meeting. All instructions are published one month before the meeting.

To promote interaction between the company and its shareholders, but also to know them better and to serve them better, EVS requires, under article 24 of its Statutes, the proxies for participation in its General Meetings to be signed by the final effective economic beneficiary. Proxies by a custodian or sub-custodian must therefore be accompanied by another power of attorney duly signed by the final effective economic beneficiary allowing it to exercise its rights.

In the interest of good governance, this provision is strictly applied and results at each meeting, a few non-compliant discharges of proxies, including those from stakeholders.

FINANCIAL SERVICE

Dividends are payable at ING BANK SA, which is the sole paying agent in the Euroclear Belgium "E.S.E.S." dematerialized system.

ING BANK SA

Avenue Marnix, 24
1000 Bruxelles, Belgique

In June 2005, EVS shares were split in 5. The old shares can still be exchanged by contacting:

DELTA LLOYD BANK SA

B.O. Epargne et placements
Administration/liquidation
Av. de l'astronomie, 23
1210 Brussels, Belgium
Tel.: +32 2 229 77 53
Mail: dossierstitres@dlbank.be

INFORMATION ACCESSIBILITY

The group website (www.evs.com) gives general information on the company and its products, as well as financial information, the Corporate Governance rules and annual reports.

A page is also dedicated to the financial analysts who monitor the stock.

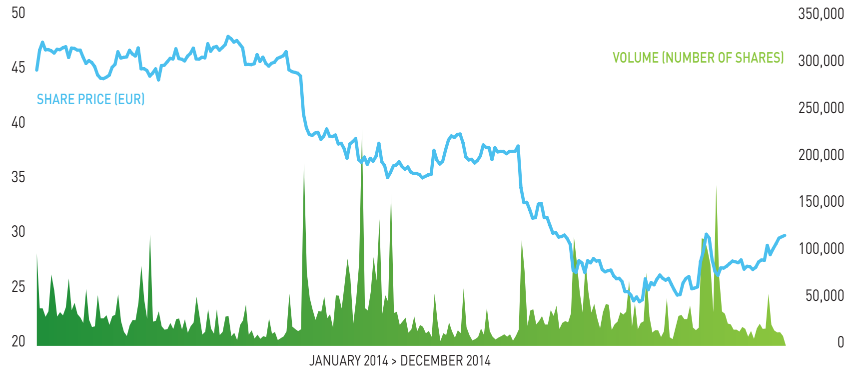
All legal documents are available at the company head office or on our website.

EVS has adopted a "quiet period" policy, which limits communication with investors during sensitive periods to basic, historic and non-time specific information. This quiet period begins on the first day of the new fiscal quarter and continues until the next earnings release. EVS appreciates the interest of its shareholders in the company and believes that this policy enables the company to balance the needs of a business along with communicating with both new and potential investors in the company.

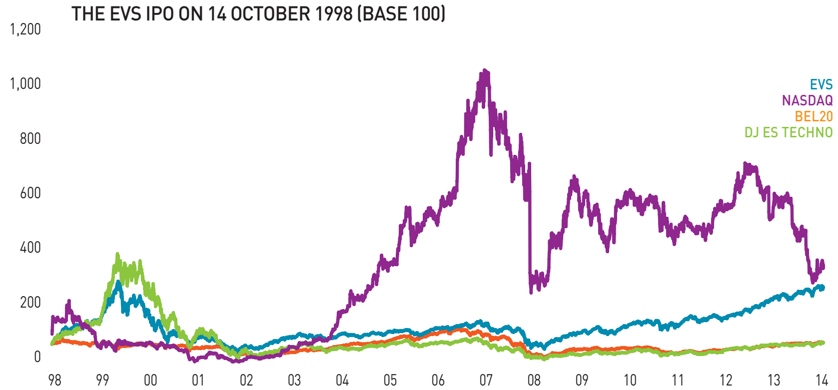
5.4%

OF DIVIDEND YIELD IN 2014

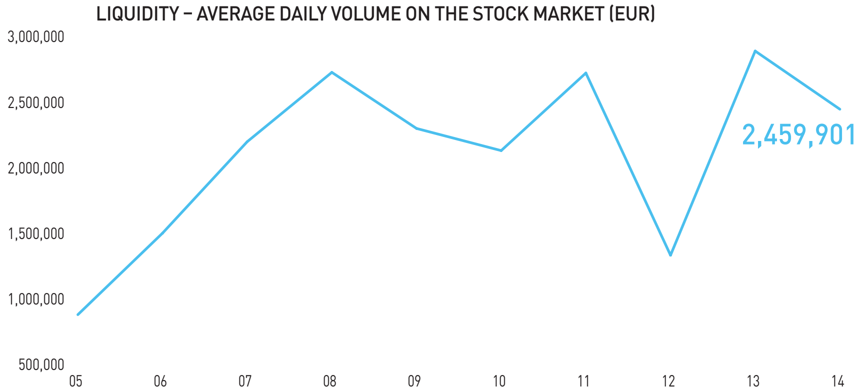
SHARE PRICE AND VOLUME



FROM THE IPO UNTIL TODAY – STOCK PRICE TREND COMPARISONS SINCE THE EVS IPO ON 14 OCTOBER 1998 (BASE 100)



LIQUIDITY – AVERAGE DAILY VOLUME ON THE STOCK MARKET (EUR)



KEY FIGURES, CONSOLIDATED – IFRS (EUR MIO)	2014	2013	2012	2014/2012
Revenue	131.4	129.1	137.9	1.8%
Operating profit - EBIT[1]	46.1	48.4	62.1	-4.8%
Net profit (group share)	35.5	34.0	41.7	4.4%
Net profit from operations, excl. dcinex (group share)[2]	35.2	35.9	44.6	-2.0%
Investments	22.4	15.1	9.6	48.5%
Cash generated from operations	54.8	47.8	60.9	14.6%
Total equity (December 31, before profit allocation)	73.5	68.5	67.3	7.3%
Net cash position (December 31)[3]	-8.5	0.1	20.6	N/A
Net working capital at 31 december[4]	38.4	40.3	30.3	-4.8%
Number of employees (full-time equivalents, December 31)	512	486	463	5.3%

DATA PER SHARE (EUR)	2014	2013	2012	2014/2012
Average number of shares excl. treasury shares	13,513,053	13,480,715	13,449,081	0.2%
Basic net profit (group share)[5]	2.63	2.52	3.10	4.4%
Basic net profit from operations, excl. dcinex (group share)[5]	2.60	2.68	3.31	-3.0%
Gross dividend (interim + final dividend)	2.00	2.16	2.64	-7.4%
Equity per share	5.40	4.99	4.94	8.2%

RATIOS (%)	2014	2013	2012	2014/2012
Gross margin (%)	74.5%	75.5%	77.3%	-
EBIT margin (%)[1]	35.1%	37.5%	44.4%	-
Net margin[6]	26.8%	27.8%	32.3%	-
Payout ratio (gross dividend/net profit)	76.0%	85.7%	85.2%	-
Dividend yield (gross dividend/average share price)	5.4%	4.4%	6.6%	-
Return on equity – ROE[7]	52.3%	50.6%	75.0%	-
Return on capital employed – ROCE[8]	54.3%	69.0%	155.5%	-

[1] EBIT means "Earnings Before Interests and Taxes" and corresponds to the operating result before interests and taxes. The EBIT margin is the EBIT divided by the revenue.

[2] The net profit from operations, excluding dcinex, is the net profit (group share) excluding non-operating items (net of tax) and the dcinex contribution.

[3] The net cash position is the cash and cash equivalents less the financial liabilities and the other long term debts (incl. their short term portion).

[4] The net working capital = stocks + trade receivables + other receivables - trade payables - amounts payable regarding remuneration and social security - income tax payable - other payables.

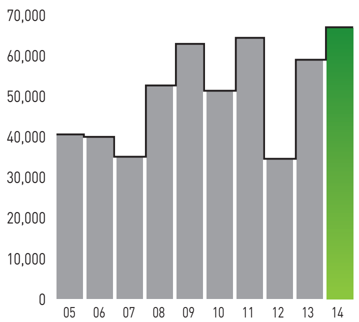
[5] Calculated based on the number of shares excluding treasury shares and warrants.

[6] The net profit margin is the net profit from operations divided by the revenue.

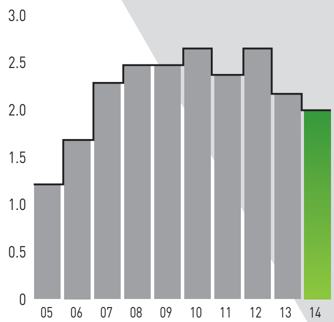
[7] This return is the result of the net profit (group share) divided by (the shareholders' equity at the beginning of the year less the final dividend decided during the Ordinary General Meeting of May).

[8] Net profit from operations, excl. dcinex/(goodwill + intangible and tangible assets + stocks).

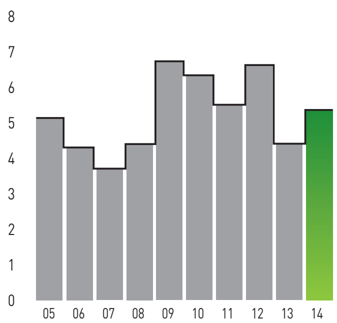
LIQUIDITY – AVERAGE DAILY VOLUME ON THE STOCK MARKET (NUMBER OF SHARES)



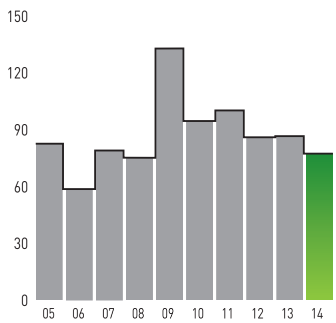
GROSS DIVIDEND PER SHARE AFTER SPLIT (EUR)



DIVIDEND YIELD (%)



PAYOUT RATIO (% OF BASIC EPS)



SHAREHOLDER'S CALENDAR

12 May 2015
First quarter 2015 results

19 May 2015
Ordinary General Meeting

26 May 2015
Coupon #20:
final dividend ex date

27 May 2015
Coupon #20:
final dividend record date

28 May 2015
Coupon #20:
final dividend payment date

27 August 2015
Second quarter 2015 results

13 November 2015
Third quarter 2015 results

Find out more online
www.evs.com

OUR **PRESENCE** IN THE **WORLD**

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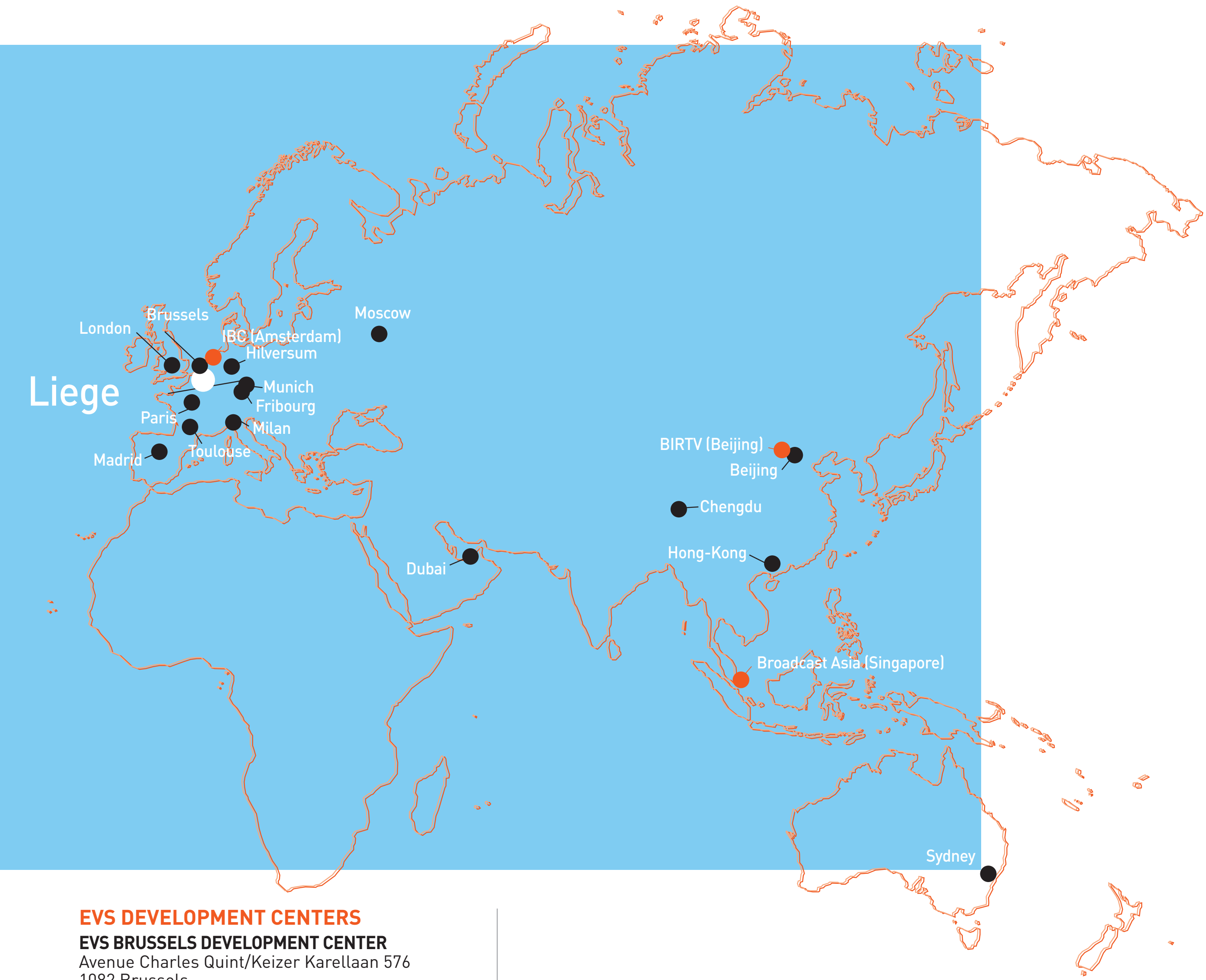

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CONTACT
Magdalena Baron,
Senior Vice President and CFO
Geoffroy d'Oultremont,
Vice President Investor Relations and Corporate Communication

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corpcom@evs.com

Version française disponible sur demande.
The Annual Report (management report, accounts and notes) is available on the EVS website (www.evs.com).
A paper copy can be obtained on request.

ANNUAL FINANCIAL REPORT 2014

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MANAGEMENT REPORT

FINANCIAL REPORT

1. CONSOLIDATED KEY FIGURES – IFRS (EUR MILLIONS)

	2014	2013	2012	2014/2013
Revenue	131.4	129.1	137.9	+1.8%
Gross margin %	74.5%	75.5%	77.3%	-
Operating profit - EBIT	46.1	48.4	61.2	-4.8%
Operating margin (EBIT) %	**35.1%**	**37.5%**	**44.4%**	-
Contribution from dcinex	-0.2	0.1	0.4	N/A
Income taxes	-14.7	-15.3	-18.3	-4.4%
Net profit, group share	35.5	34.0	41.7	+4.4%
Net profit from operations, excl. dcinex, group share (1)	35.2	35.9	44.6	-2.0%
Net profit margin from operations, excl. dcinex (%)	26.8%	27.8%	32.3%	-

(1) The net profit from operations, excl. dincex, is the net profit (share of the group) excluding non-operating items (net of tax) and the dcinex contribution. Refer to note 6.2 on use of non-GAAP financial measures.

2. HIGHLIGHTS

Our performance in 2014 indicates that we have clearly maintained our leadership position in high end video live production, but we have to cope with the slowdown of the live production server market. Over the last months of 2014, we have set up a new organization and launched many initiatives relating to the refocus on our core business, such as the dcinex disposal, the acquisition of SVS/DYVI or in terms of product prioritization. They will help us to be even better armed for the future, to tackle new opportunities.

2014 revenue is in line with our low single digit growth guidance compared to 2013 and reflects the continuing challenging market situation. We keep our focus on the costs management. Our efforts, combined with the deliberately postponed move to the new building given the recent organizational change, resulted in 6.7% operating expenses growth versus last year compared to the guidance of “around 10% growth”. The 6.7% increase is driven by controlled investments in internal resources (+6.8% average FTE increase, which represents a substantial reduction versus the initial plan) and the SVS/DYVI contribution, partially offset by opex control programs. For 2015, we have low visibility on the top line, observe the order book at -24.3% compared to 2014 excluding big events, and guide for high single digit operating expenses growth vs 2014. The 2015 opex growth is the combination of the full year effect of 2014 hiring and investments decisions, and additional investments in the organization, partially offset by the savings programs and stringent expense control.

3. STRATEGY AND LONG TERM GROWTH DRIVERS

While Sports is still a significant part of EVS’ total business, less cyclical markets like Entertainment, News and Media are growing more rapidly. In its diversification process, EVS aims 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 and increasing capable transport networks. Internet Protocol (IP) video transport and ‘Cloud-based’ technologies have made an entrance in the professional Broadcast industry and promise to enable even higher levels of flexibility and efficiencies in (live-) TV production. EVS plans to increase its investments in the R&D activities of these new technologies to continue to offer its customers the latest in (live-) production solutions. In addition the broadcast market continues to migrate from standard definition (SD) TV to high definition (HD), add new ‘second screen’ TV applications and demand more live video content across the world and in particular in emerging regions. More advanced camera and display technologies such as UltraHD (4K) are speeding up the conversion to and subsequent upgrades away from tapeless production facilities. EVS targets small niches where the combination of infrastructure reliability, applications agility and service quality are essential success criteria.

In view of the above, taking into account usual business risks and uncertainties, and especially the general world economy, the Board of EVS believes that the long term underlying demand for EVS products should continue to be supported by these structural growth drivers.

4. REVENUE

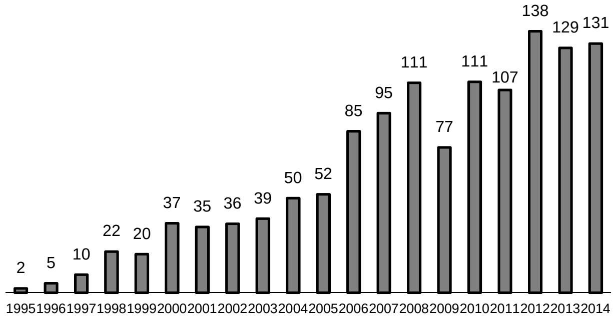
EVS revenue amounted to EUR 131.4 million in 2014, an increase of 1.8% compared to 2013 (-8.9% at constant currency and excluding the big events rentals). Sales in Sports decreased by 6.6% (-6.6% at cst exch. rate) to EUR 81.9 million, representing 62.3% of total group sales in 2014. ENM sales decreased by 14.0% in 2013 to EUR 35.2 million (-14.0% at cst exch. rate), representing 26.8% of total sales in 2014. There was a record amount of EUR 14.3 million for rentals relating to big sporting events in 2014 (World Cup, Winter Olympic Games, Asian Games, Commonwealth Games and Youth Olympic Games), compared to EUR 0.5 million in 2013.

In 2014, in Europe, Middle-East and Africa ("EMEA"), sales (excl. big event rentals) amounted to EUR 62.8 million (+0.1% compared to 2013), representing 47.8% of group revenue.

Sales (excl. big event rentals) in Americas ("NALA") were EUR 32.9 million (+12.3% at constant currency).

In Asia & Pacific ("APAC"), sales (excl. big event rentals) were EUR 21.3 million (-41.5% at constant currency).

Revenue evolution (EUR millions)



Sales by region (EUR millions)

	2014	2013	Mix 2014	2014/2013
Europe, Middle-East, Africa (EMEA)	62.8	62.8	47.8%	+0.1%
Americas (NALA)	32.9	29.3	25.0%	+12.3%
at constant exchange rate	*32.9*	*29.3*	-	*+12.3%*
Asia-Pacific (APAC)	21.3	36.5	16.2%	-41.5%
Big event rentals	14.3	0.5	10.9%	N/A
TOTAL	**131.4**	**129.1**	**100%**	**+1.8%**

5. RESEARCH AND DEVELOPMENT

Research and Development expenses in 2014 were EUR 25.2 million, up 10.8%. This expense represents 19.2% of revenue. In accordance with the group's accounting rules (Belgian and IFRS), these expenses are fully expensed in the P&L over the financial year. Today, there are around 260 high-level engineers working in 6 sites. The group's strong vertical integration between the sales/support activities at the local level and the R&D enables rapid adaptation of products to ever changing customer needs. EVS priority in terms of R&D is to continue the development of tapeless modular production platforms with a broad bandwidth which offer producers even more flexibility and quality when producing and broadcasting content to viewers.

Since 4Q10, EVS benefits from 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. From 2011, in the presentation of the accounts, the amount relating to the current year comes as a deduction of R&D charges.

6. STAFFING

Breakdown of personnel by department (in full-time equivalents):

	Corporate Services	Research & Development	Sales & Marketing	Assembling & Professional services	Total
Dec. 31, 2012	71	232	43	117	463
Dec. 31, 2013	78	239	53	116	486
Dec. 31, 2014	73	261	59	119	512

As of December 31, 2014, EVS had a total of 512 employees (full-time equivalents, including 6 managers ("membres du personnel de direction"), 463 employees, 9 workers and 34 consultants, advisors and temporary), an increase of 5.3% compared with end of year 2013. The total salary cost stands at EUR 37.0 million in 2014 as opposed to EUR 35.0 million in 2013. Throughout 2014, the average number of employees was 503, up 6.8% over 2013 (471). The decrease within Corporate Services is mainly due to the outsourcing of cleaning services in 2014.

7. RESULTS

7.1. 2014 key figures per quarter

IFRS - EUR million, except earnings per share, expressed in EUR	1Q14 unaudited	2Q14 unaudited	*1H14 unaudited*	3Q14 unaudited	4Q14 unaudited	*2H14 unaudited*	2014 audited
Revenue	29.3	35.6	*64.9*	36.0	30.5	*66.5*	**131.4**
Gross margin	22.0	26.7	*48.6*	26.9	22.3	*49.2*	**97.8**
Gross margin %	74.9%	75.0%	*74.9%*	74.9%	73.0%	*74.0%*	**74.5%**
Operating profit – EBIT	10.0	12.9	*22.9*	14.3	8.9	*23.2*	**46.1**
Operating margin – EBIT %	34.1%	36.2%	*35.3%*	39.8%	29.1%	*34.9%*	**35.1%**
Net profit – Group share	7.1	8.9	*160*	11.3	8.3	*19.5*	**35.5**
Net profit from operations. excl. dcinex – Group share [(1)]	7.3	9.6	*16.8*	11.4	6.9	*18.4*	**35.2**
Basic earnings per share	0.53	0.66	*1.19*	0.84	0.61	*1.44*	**2.63**
Basic earnings per share from operations. excl. dcinex [(1)]	0.54	0.71	*1.25*	0.85	0.51	*1.35*	**2.60**

[(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 Note 6.2: use of non-GAAP financial measures.

7.2. Comments on 2014 results

Consolidated gross margin was 74.5% for 2014, compared to 75.5% in 2013 due to product and project mix, some reclassification between R&D and cost of goods sold and higher write-offs. Operating expenses grew by 6.7%, mainly due to some extra hires and additional costs in 2014 that include the investment in SVS/DYVI. This is below the previous guidance of approximately 10% opex growth, driven by lower than expected new building opex cost (postponed move due to some changes needed in the building to reflect the new organization and a more optimal reuse of some existing equipment in the building), an immediate adoption of cost initiatives by the new organization and a lower than expected cost relating to the CEO recruitment. This leads to a 2014 EBIT margin of 35.1%, compared to 37.5% in 2013. dcinex contributed EUR -0.2 million to EVS results in 2014 until the date of its disposal, which, in addition, resulted in a one-time capital gain of EUR 2.0 million. Tax rate was lower in 2014, as a result of changes in the structure of some subsidiaries to better reflect their operational functions and tax exempt capital gain on the disposal of dcinex. Group net profit amounted to EUR 35.5 million in 2014, compared to EUR 34.0 million in 2013. Basic net profit per share amounted to EUR 2.63 in 2014, +4.2% compared to EUR 2.52 for 2013.

7.3. Data per share (EUR)

	2014	2013	2012	2014/2013
Weighted average number of subscribed shares for the period, less treasury shares	13,513,053	13,480,715	13,449,081	+0.2%
Basic net profit, group share	**2.63**	**2.52**	**3.10**	**+4.2%**

8. BALANCE SHEET, CASH-FLOW, OWN SHARES AND EMPLOYEE PROFIT SHARING

Total equity represented 52.6% of total balance sheet at the end of December 2014. Inventories amounted to EUR 15.4 million, including around EUR 4.0 million value of own equipment used for R&D and demos of EVS products. Inventories were down compared to September 2014 and the end of 2013, as the level of equipment used during the different big sporting events has decreased. In the liabilities, provisions include mainly the provision for technical warranty on EVS products for labor and parts.

At the end of 2011, EVS started the construction of a new integrated building in the proximity of its current location in Liège, in order to gather all employees of EVS headquarters in one location, currently split in 6 different buildings. EUR 50.8 million have been invested by the end of December 2014 (less EUR 5.6 million of subsidies booked at the same date). The total budget for the project (including some higher investments in future-proof equipment) is estimated around EUR 58.5 million. In November 2013, EVS secured the financing of the new building through senior debt of EUR 24 million with EIB (50%), ING (25%) and BNPPF (25%) over 7 years. In May 2014, EVS has added EUR 12 million of available loan facilities (50% ING and 50% BNPPF). At the end of December 2014, a total of EUR 30.0 million has been drawn on these available facilities.

The net cash from operating activities amounted to EUR 40.3 million in FY14. On December 31, 2014, the group balance sheet showed EUR 25.6 million in cash and cash equivalents, and EUR 31.9 million in financial long-term debts (including short term portion of it).

At the end of 2014, the capital was represented by 13,625,000 shares, of which 140,498 were owned by the company. In 2014, 127,500 were bought back on Euronext Brussels amongst which 120,366 shares were granted or sold to employees under share-based compensation schemes, including the profit-sharing scheme (10,166 shares). Indeed, in line with previous years, and within the framework of the law of May 22, 2001, the Ordinary General Meeting of May 20, 2014 decided to grant its employees a special reward through the profit-sharing scheme (“plan de participation bénéficiaire”) similar to the grant of shares of the company up to an amount of approximately EUR 0.5 million.

In 2014, the Board granted a total of 99,500 warrants to some employees at an average strike price of EUR 39.94. As of December 31, 2014, 372,050 warrants were outstanding with an average strike price of EUR 39.85 and an average maturity of November 2016. However, none of these warrants were exercisable and in-the-money (with an exercise price below the share price as of December 31) at December 31, 2014. The 372,050 existing warrants have a potential diluting effect of 2.7% on capital. This is partially covered by the 140,498 treasury shares held by the company and acquired at an average price of EUR 38.18.

EVS accelerated the dematerialization of its shares. As a consequence, as from December 15, 2011, the securities in bearer form issued by the company which would not have yet been registered on a securities account are automatically converted in book-entry securities.

9. DISPUTES

As per December 31, 2014, EUR 1.1 million provisions were available to reasonably cover various ongoing and probable commercial and social disputes (EUR 0.2 million) and technical warranties (EUR 0.9 million).

10. RISK MANAGEMENT

EVS is exposed to many exogenous and endogenous risks detailed in the annexes of the annual financial report and in the paragraph 5.1 of the corporate governance statement. The management, the Audit Committee and the Board of Directors conduct regular analyses of the company's risk and take actions to minimize or neutralize the potentially negative effects.

Financial instruments used by the company are identified in the balance sheet and booked at fair value.

More information on the use of the financial instruments by the company, the objectives and policies relating to financial risks management and the risks the company is exposed to, can be found in the Corporate Governance Statement (point 5.1) and in the “Risks and uncertainties” chapter. The foreign currency risk is treated separately in the note 28.2.

11. INVESTMENTS

EVS business does not require major investments in equipment. The group’s policy is to own its premises in Belgium and primarily finance them through shareholders’ equity and long-term bank loans. As per December 31, 2014, the net book value of lands and buildings was EUR 46.1 million. In addition, all other existing facilities of EVS that are now or sale due to the move to the new headquarters have been reclassified as “Asset classified as held for sale” on the balance sheet for an amount of EUR 6.4 million. Most of the buildings have benefited from regional or European subsidies.

12. CAPITAL AND SUBSIDIARIES

The EVS Broadcast Equipment SA capital of EUR 8,342,479 is represented by thirteen million six hundred and twenty five thousand shares (13,625,000) without any designation of nominal value. The number of shares has not changed in 2014.

13. OUTLOOK 2015

The order book (to be invoiced in 2015) on February 15, 2015 amounts to EUR 29.8 million, which is -38.3% compared to EUR 48.2 million on February 15, 2014 (-24.3% excl. the EUR 9.3 million for big event rentals that were in the order book last year). The order book includes EUR 0.3 million for big events rentals.

In addition to this order book to be invoiced in 2015, EVS already has EUR 2.6 million of orders to be invoiced in 2016 and beyond.

The slowdown witnessed in the broadcast industry (and more specifically the live production server market) persists. The EVS management explains this slowdown by macro-economic headwinds and longer investment cycles. With very limited visibility at the moment, the EVS management remains prudent for 2015, an uneven year which, as usual, should only include a limited amount of rentals for big sporting events (compared to a record EUR 14.3 million in 2014). While numerous actions have been taken for tighter opex management, the investments made and the people hired in 2014 will mechanically add opex in 2015 (including higher depreciation relating to the new building). This will lead to an expected high single digit opex growth in 2015.

14. RECENT EVENTS

Significant events that arose after the balance sheet date are:

- The information communicated in the 2014 annual results released on February 19, 2015;
- On February 16, 2015, Muriel De Lathouwer, President of the EVS Executive Committee (since the departure of Joop Janssen, in October 2014), was appointed Managing Director and CEO of the company;
- In March 2015, Ymagis reimbursed anticipatively the bonds associated with warrants (EUR 6.4 million). They also repaid the remaining portion of the subordinated bond (EUR 151,000).

15. PROPOSALS BY THE BOARD TO THE SHAREHOLDERS

As it was proposed since the introduction of the stock exchange in 1998, the Board of Directors has decided to maintain the optimization of the return for shareholders in the form of a dividend and/or repurchase of own shares. The Board, therefore, recommends a total gross dividend of EUR 2.00 per share (including the interim dividend of EUR 1.00) at the Ordinary General Meeting to be held on May 19, 2015, what would imply a final gross dividend of EUR 1.00 per share to be paid on May 28, 2015. The Board of Directors proposes to grant around 10,600 shares to the employees within the framework of the law relating to profit-sharing schemes.

The group has a policy of repurchasing treasury shares which evidences EVS confidence in its future. The Board of Directors has the authorization, given by the Extraordinary General Meeting of November 5, 2014, to buy back shares in the normal course of operations (authorization given for a period of 5 years), under certain conditions and with a maximum of 10% of existing shares. The group intends to pursue its own shares repurchase policy as the market opportunities arise, and within the limits of these authorizations.

CORPORATE GOVERNANCE STATEMENT

This section of the annual report summarizes the rules and principles of good corporate governance established by EVS, in accordance with Belgian Code of Companies (and the law of April 6, 2010), articles of incorporation and the Charter of Corporate Governance. It also focuses on activities related to the year 2014.

1. CORPORATE GOVERNANCE CHARTER

Already in 2006, the Board of Directors of EVS Broadcast Equipment approved a Corporate Governance Charter ("Charter"), which has been regularly updated. Today, this Charter is based on the 2009 Belgian Code on Corporate Governance ("Le 2009 Code"). The Board still reviews this Charter whenever needed. This document is fully available on the group's www.evs.com.

The Charter adopted by the Board of Directors meets EVS most points in the 2009 Code. However, the Board considered that exceptions to the 2009 Code were justified given the specificities of EVS. The last section of this chapter shows the differences with the 2009 Code, and explains the reasons for the exemptions.

2. BOARD OF DIRECTORS

The members of the Board of Directors are appointed for a term between 1 and 6 years. On December 31, 2014, the Board of Directors was made up of 7 members. Decisions are taken by a majority vote. In the event of a tie, the Chairman or his representative has a casting vote. In the case of a conflict of interest, the people involved do not take part in the debates and in the vote.

When one or several positions of Director become vacant as a consequence of death, resignation or for any other reason, the remaining Directors are entitled to fill the vacancy temporarily. In such a case, the General Meeting shall make the definitive appointment at its next session. The Director so appointed shall serve for the remaining term of the Director whom he replaces.

The members are provided with various documents at each Board meeting or enclosed with the notification of the meeting. These documents include reports, financial results, investment documents and other papers relating to the items on the agenda.

In 2014, the Board met 10 times and notably discussed the following matters: strategic review, R&D and product developments, monitoring subsidiaries and dcinex (in which EVS owns 41.3%), treasury shares policy and liquidity management, 2014 business updates, the 2015 budget, examining acquisition and partnership projects, preparing press releases and preparation of General Meetings, management of Directors' mandates and evaluation of the functioning of the Board.

3. SPECIALIZED COMMITTEES ATTACHED TO THE BOARD

The Board of EVS has set up, since a few years, an Audit Committee and a Compensation Committee to conduct a review of specific issues and advise on this. The final decision remains a collective responsibility of the Board of Directors. Early 2014, the Board also set up a Strategy Committee.

3.1. Audit Committee

The Audit Committee is composed of three non-executive independent directors. This committee assumes the missions described in the Article 526bis of the Belgian "Code des sociétés". More generally, it assists the Board of Directors in its responsibilities concerning the integrity of the financial information relating to the company and, in particular, supervising the financial reports, the internal audit function, the external audit function and the relations between the company and its shareholders. The Audit Committee met three times in 2014 in the presence, for most of the topics, of the CFO and the company's Auditor.

Christian Raskin (Bachelor in Accounting and Master in Economic Sciences, 20 years of experience in executive functions at Draka) and Yves Trouveroy (two Certificates in Law, 15 years of experience in an investment company) have the competencies in accounting and audit.

3.2. Remuneration Committee

The Remuneration Committee is composed of three non-executive independent directors. This committee assumes the mission described in the article 526quater of the Belgian "Code des Sociétés". More generally, it assists the Board of Directors in its responsibilities concerning the setting of remuneration for the company's executives and managers. The members of this committee met 4 times in 2014.

3.3. Strategy Committee

The Strategy Committee is composed of the CEO, of one or more directors and also uses external consultants depending on topics and issues. It aims to assist Executive Management in all matters related to the company's strategy. In 2014, the Strategy Committee members met 3 times.

On December 31, 2014, the Board of Directors was made up as follows:

		Director since	Audit Committee	Compensation Committee	Strategic Committee	Term of mandate	Activities in 2014	
							Attendance Board meetings	Attendance Committees
ACCES DIRECT SA, represented by Pierre RION *	Chairman, Independent Director	2010*	Member	Chairman		May 2015	10/10	7/7
Françoise CHOMBAR	Independent Director	2012		Member		May 2015	10/10	4/4
Michel COUNSON	Managing Director	1994				May 2016	10/10	
Muriel DE LATHOUWER	Executive Director **	2013			Chairman	May 2016	10/10	3/3
Christian RASKIN	Independent Director	2010	Chairman	Member		May 2018	10/10	7/7
Freddy TACHENY	Independent Director	2013			Member	May 2016	8/10	3/3
Yves TROUVEROY	Independent Director	2011	Member			May 2015	10/10	3/3

* Pierre RION was Director as a natural person between 2003 and 2010.

** Muriel De Lathouwer fulfilled the criteria of independence until October 13, 2014, date of her appointment as President of the Executive Committee (ad interim) Muriel De Lathouwer resigned as an Independent Director as natural person on February 16, 2015, and MucH sprl, permanently represented by Muriel De Lathouwer, was co-opted Director as corporate body. This change follows the appointment on February 16, 2015, of MucH sprl, represented by Muriel De Lathouwer as Managing Director and CEO of EVS.

Françoise CHOMBAR (1962)

Mrs. Chombar is Managing Director and CEO of Melexis since February 2011. Previously, she was appointed as co-Managing Director and CEO from 2004 onwards and as Chief Operating Officer since 1994. From 1989 to 1994, she served as Operations Manager and Director at several companies within the Elex n.v. and Xtrion n.v. private holding companies. Prior to that date, she served as Planning Manager at Elmos GmbH, a German semiconductor company, from 1986 to 1989 and as Commercial Assistant at Michel Vande Wiele n.v., a Belgian textile equipment manufacturer, from 1984 till 1985. She holds a master's degree as Interpreter in Dutch, English and Spanish from the University of Gent. She is mentor of the Women's network Sofia since 2000, a member of Women on Board since 2011, honorary ambassador of the Department of Applied Languages of the University of Gent since January 2012 and member of the Board of Directors of ISEN (Higher Institute for Electronics and Digital training) in Lille, France, since January 2014.

Michel COUNSON (1960)

CTO Hardware Design of the company since it was founded in 1994, Michel COUNSON graduated as an Engineer in electronics from the Institut Supérieur Industriel Liégeois in 1982. He started his career as a Hardware Engineer with TECHNIQUES DIGITALES VIDEO S.A. in 1983 before founding his own company, VIDEO SYSTEM ENGINEERING S.P.R.L. in 1986, which used to work in partnership with EVS on numerous projects. The two companies merged in 2000. He manages the Hardware Department.

Muriel de LATHOUWER (1972)

Mrs. de Lathouwer (representing MucH sprl) is Managing Director & CEO of EVS since February 2015. She was serving as interim president of the Executive Committee of EVS on an interim basis since the departure of Joop Janssen in October 2014. She has been a member of the EVS Board of Directors since November 2013, also chairing its Strategic Committee. She started her career as IT Consultant at Accenture, before spending 7 years at McKinsey in Brussels (she was Associate Principal between 2006 and 2008, specialized in telecom, high tech and media sectors). Between 2008 and 2009, she was Chief Marketing Officer of the mobile telecom operator BASE (subsidiary of KPN). Then, before taking over her executive role at EVS in 2014, she was Managing Director (and co-founder) of an engineering consultancy firm in energy and environmental matters. She is an Engineer in Nuclear Physics (ULB, Brussels), and holds an MBA from Insead (Paris). She is a member of Women on Board, and is a member of the Board of Directors of Amoobi, a technology company specializing in customer flow analytics.

Christian RASKIN (1947)

Christian Raskin was a member of the Board of Management of Draka Holding, one of the largest cable companies in Europe. Before this, he led the fiber optics activities and the Dutch and French subsidiaries. In 1984, he cofounded Zetes Industries (now listed on Euronext Brussels). He holds a Master in Economics from UCL in Belgium and is a Bachelor in Accounting. He is a Director Oman Cable Industries (listed on the market of Mascate) and of two private tech companies in Belgium.

Pierre RION (1959)

Pierre Rion is co-founder of the IRIS Group, which he co-managed up to 2001. He is a qualified Electronics and Computing Civil Engineer from the University of Liège, acting mainly as Business Angel, and he also sits on the boards of other Belgian companies, including CPH Banque, Cluepoints, Pairi Daiza, Akkanto and Belrobotics. He is also Vice-President of the Belgium Foreign Trade Agency. He is Compliance Officer of EVS.

Freddy TACHENY (1961)

Mr. Tacheny is Managing Director of F. Tacheny SPRL (active in sport and media consulting) and Zelos, company he founded in 2012, active in advising stakeholders in the sport world (federations, clubs and events) and creating economic models to optimize revenues in sport. Zelos is notably taking care of Xavier Simeon (MOTO2 championship), and different professional sport teams (such as Spirou de Charleroi, the Sharks of Antibes or Verviers-Pepinster, the league and the national team in basketball, or the Mettet circuit, and the Motorcycle Federation of Belgium). He started at IP (the advertising arm of RTL Belgium) in 1989, where he became successively Marketing Director and Managing Director in 1999. Expert in editorial content at an international level, he became General Manager of RTL Belgium in 2002, a position he held until his departure of RTL Belgium in 2011. He holds a Master in Business Sciences (ICHEC, Brussels). He is a Director of BMMA (Belgian Marketing and Management Association), of which he was the Chairman during 11 years. He is also the Sport Chairman of the Jules Tacheny circuit in Mettet.

Yves TROUVEROY (1961)
Yves Trouveroy is Partner at E-Capital Equity Management, the management company of the private equity funds E-Capital I (1999), E-Capital II (2007) and E-Capital III (2011) that invest in Belgian small and medium-sized companies. Before 1999, he practiced as Lawyer at De Bandt, van Hecke & Lagae (now Linklaters) and then served as executive in the International Trade & Project Finance and Corporate Investment Banking departments of Generale Bank (Fortis). He holds a law degree and a Political Sciences degree from the Université Catholique de Louvain and a Masters of Laws (LLM) from New York University.

4. DAY-TO-DAY MANAGEMENT

The Board of Directors has delegated day-to-day management to two Managing Directors and an Executive Committee.

4.1. Executive Committee

From January 1, 2014 until November 30, 2014, the Executive Committee was composed by:

- Joop JANSSEN, Managing Director & CEO (until October 13, 2014)
- Muriel DE LATHOUWER, ad interim President of the Executive Committee (since October 13, 2014) (3)
- Magdalena BARON, Senior Vice President, CFO, Corporate services (since January 20, 2014)
- Luc DONEUX, Executive Vice President, Sports Division
- Henry ALEXANDER, Senior Vice President, Entertainment & News Divisions
- Benoît FEVRIER, Senior Vice President, Media Division
- Bernard STAS, Senior Vice President, Product Strategy (until June 30, 2014) (1)
- Vincent THEUNISSEN, Senior Vice President, Human Resources (until March 31, 2014) (2)
- Christine VANDER HEYDEN, Senior Vice President, Human Resources (since April 1, 2014) (2)
- Frédéric NYS, Senior Vice President, Operations (until September 25, 2014)
- Nicolas BOURDON, Senior Vice President, Marketing

(1) Bernard Stas submitted his resignation in December 2013, with a notice period up to June 30, 2014.
(2) Christine Vander Heyden replaced Vincent Theunissen within the Executive Committee. The latest has been HR Manager from April 1, 2014.

From December 1, 2014, the Executive Committee has been reduced and is now composed of:

- Muriel DE LATHOUWER, President of the Executive Committee, ad interim (3)
- Magdalena BARON, Senior Vice President, CFO
- Luc DONEUX, Executive Vice President, Chief Commercial Officer
- Henry ALEXANDER, Senior Vice President, Market & Product
- Benoît FEVRIER, Senior Vice President, CTO
- Christine VANDER HEYDEN, Senior Vice President, Human Resources

(3) Muriel De Lathouwer has been appointed Managing Director and CEO of EVS on February 16, 2015.

The Executive Committee coordinates the monitoring and development of the company and its affairs. Its members are in permanent contact, receive information on the group's financial situation, sales and projects, and the Committee takes operational decisions such as appointing or dismissing staff and concluding contractual agreements.

4.2. Operational management of subsidiaries

The Executive Committee delegates the necessary powers to its subsidiaries to ensure their operational functioning. The commercial and support subsidiaries are easy to control as their activities are entirely dependent on EVS Broadcast Equipment SA, based in Liège (Belgium): delivery of promotional materials, presence at trade fairs, supply of machines or exchange parts, and accounts. The Board of Directors of these subsidiaries are mainly composed by the headquarters' Managing Directors, the CFO, the Head of Finance and Administration and local managers. The subsidiaries are spread over geographical regions (America, Europe/Africa/Middle East, Asia/Pacific). Each region has been coordinated in 2014 by a Head of region. This type of organization enables very efficient distribution of information at the group level as well as rapid decision making. The group's commercial policy is coordinated by the parent company, and each region has operational autonomy which allows creating an optimal contact with the market.

5. CONTROL OF THE COMPANY

5.1. Internal control and risk management systems

The management strives to provide the level of risk control that is as adequate as possible. The various risks are identified in this financial annual report. The most important characteristics of internal controls and risk management systems are:

- The assessment, with the auditor, of his audit reports and, if necessary, the request of additional information and clarifications, and the set-up of actions;
- The ongoing monitoring of activities, operating results and financial risks of the company (including the financial position of the company, the exchange rate risks), including within the various subsidiaries of the group;
- Monitoring the price of components and of relationships with suppliers;
- Managing the information systems;
- Monitoring of rules for the prevention of market abuse, compliance with these rules and any violations;
- Monitoring regulations and laws, including the monitoring of potential litigation, and possible financial implications thereof;
- The process for the preparation of the consolidated accounts is centralized at the group's financial function level. All information necessary for this process come from widely used software in the market. Control procedures are in place to ensure that it is thoroughly mastered.

5.2. External audit

The audit of the statutory and consolidated accounts of EVS Broadcast Equipment SA is carried out by BDO (B-00023), represented by Christophe COLSON (A-02033), Belgian Réviseur d'Entreprise. The mandate of the Auditor has been renewed for three years at the Ordinary General Meeting of May 2013), and will end at the Ordinary General Meeting of May 2016.

In 2014, all fees related to the mandates of the Auditor of the parent company, BDO, Auditors SCC (B-00023) represented by Christophe COLSON and its associates, amounted to EUR 187,580 in aggregate for his duties as Auditor (EUR 51,023) and also for other duties (EUR 136,557).

In accordance with the option offered by Article 133§6 of the Belgian Code of Companies, the Audit Committee, at its meeting on February 14, 2014, and after analyzing and considering that these benefits are not likely to jeopardize the independence of the auditor, authorized the Auditor to exceed the limit set by the "one-to-one" rule (i.e. the fees related to non-audit services may not exceed the authorized commissioner fees) by the realization of tax assistance services within the group.

6. SHAREHOLDING (AS OF DECEMBER 31, 2014)

The situation as it appears from the last official ownership statements received by the company and the situation of treasury shares as of December 31, 2014 is as follows:

Shareholder	Number of shares	% statutory basic (1)	% statutory diluted (2)
Michel Counson	879,906	6.5%	6.3%
Treasury shares EVS	140,498	1.0%	1.0%
Allianz Global Investor Europe GmbH	889,755	6.5%	6.3%
Ameriprise Financials Inc. (US)	417,065	3.1%	3.0%
ING Groep NV	411,464	3.0%	2.9%
Undeclared	10,886,312	79.9%	77.6%
Total	**13,625,000**	**100.0%**	
Total excl. Treasury shares	**13,484,502**		
Outstanding warrants as of Dec. 31	372,050		2.7%
Total diluted	13,997,050		100.0%
Total diluted, excl. treasury shares	13,856,552		

(1) As % of the number of subscribed shares, including the treasury shares.
(2) As % of the number of subscribed shares, including the outstanding warrants and the treasury shares.

The capital of EVS is currently represented by 13,625,000 shares. There is only one category of shares, having the same rights. More information on the EVS capital is available in the note 20 of the consolidated accounts. On December 31, 2014, EVS had 140,498 own shares. According to Euroclear and the EVS Shareholders Register, there were 911,058 registered shares of which 855,528 are owned by Michel Counson (who also own 24,378 bearer shares), 5,685 by EVS, 49,719 by the EVS employees under the profit sharing scheme and the remaining balance by 7 private shareholders. In the EVS accounts at Euroclear, there were 12,713,942 bearer shares and 897 materialized shares, including with the PRIOS system (Printing On Demand Services). These 897 shares still have to be converted with Delta Lloyd Bank after the stock split by 5 in 2005. As of December 31, 2014, 99.99% of EVS shares had been dematerialized.

Shareholders must declare their ownership in EVS shares as soon as their shareholding passes over/under the 3% threshold (required by the company Statutes) and any multiple of 5% thresholds (required under Belgian law). The shareholding percentage must be computed on the basic number of outstanding shares (i.e. 13,625,000 shares at the end of 2014).

7. GENERAL MEETINGS

Each year, EVS holds its Ordinary General Meeting on the third Tuesday of May. In 2014, it was held at the company's headquarters on May 20. Overall, 151 shareholders were present or represented, representing 3,817,264 shares, or 28.0% of the share capital of EVS. The 6 resolutions were approved at an average rate of 98.1% votes in favor.

For any proposal to amend the articles of associations, the company must invite its shareholders to attend an Extraordinary General Meeting. This assembly can validly cast only if 50% of shares are present or represented. If this is not the case, a second Extraordinary General Meeting shall be convened and will be able to vote, regardless of the percentage of shares present or represented. Decisions will be made to the majorities prescribed by law.

Two Extraordinary General Meetings were duly held in 2014: one in June and one in November. The June General Meeting rejected the renewal of authorizations for authorized capital and shares buyback. These two points were presented again in November, with conditions set up to meet the shareholders' requirements. On November 5, 2014, 133 shareholders were present or represented (29.2% of the capital). They granted authorization to the Board to use the procedure of the authorized capital (80.3 % of the votes) and treasury shares buyback (100% of votes) for the next 5 years.

In order to encourage the interactions between the company and its final shareholders, but also in order to better know them (and serve them), EVS requires, according to the article 24 of its articles of association, the proxies for a general meeting to be signed by the final effective beneficial owner. Hence, proxies signed by a custodian or sub-custodian must be accompanied by another proxy, duly signed by the final effective beneficial owner, allowing him to exercise its rights.

In the interest of good corporate governance, this provision is strictly applied and usually results in refusals of invalid proxies, notably from custodians.

8. DIVIDENDS AND PROFIT ALLOCATION POLICY

The Board of Directors examines the results of the previous financial year and proposes at its Ordinary General Meeting that these profits be distributed in the best interest of the company and its shareholders. Bearing in mind the legal restrictions on profit distribution, the Board of Directors can propose a dividend policy that takes into consideration the company's investment and acquisition requirements. In the IPO prospectus of October 1998, EVS announced a dividend payout of around 30% of consolidated net profit from operations. The healthy financial structure has allowed EVS to meet and even to exceed its commitment while maintaining its self-financed organic growth. The company initiated in 2006 the payment in November of an interim dividend. The average payout ratio since 2004 is 85%. As from 2013, the Board of Directors has established a dividend policy which aims at paying a high portion of the net profit, taking into account the cash needed to finance the company growth, and with a maximum payout ratio of 100%.

Dividends are payable at the following financial institution:
ING BANK SA ("Single ESES Paying Agent Euroclear")
Avenue Marnix 24, 1000 Brussels, Belgium

9. RESPECT OF THE BELGIAN CODE ON CORPORATE GOVERNANCE

EVS has adopted the Belgian Code on Corporate Governance (2009) as reference code. In line with the "comply-or-explain" principle of the code, the Company concluded that the best interests of the Company and its shareholders are served by variance from the Code in a limited number of specific cases. These variances are explained below:

- A Director mandate cannot exceed 4 years (item 4.6 of 2009 Code): this is the case for all Directors, with an exception of the Managing Director Michel Counson, for whom the mandate is 6 years. The Board believes that this is justified to ensure the sustainability of the company, given its size and its shareholding structure.
- An independent internal audit function is put in place (item 5.2./17 of 2009 Code): the internal audit function is fulfilled by the existing team within the finance department and the actions of the audit committee. The Board took this decision in view of the size of EVS, the risks and the existing control systems in the company.

REMUNERATION REPORT

1. THE DIRECTORS

1.1. Remuneration policy

Non-executive Directors receive an annual fixed amount, eventually on a pro rata basis. The non-executive Directors receive, as remuneration for the execution of their mandate, a fixed amount for each Board and special committee meeting attended. The Chairman, if he is non-executive, receives a higher fixed amount per meeting than the other members.

The Company and its subsidiaries do not provide any personal loans, guarantees and such to the members of the Board of Directors or the Executive Team. If Directors are charged with special tasks or projects, they are entitled to receive an appropriate remuneration for those activities, which is notably the case for the Executive Directors.

The policy and the remuneration of the Directors are approved by the Ordinary General Meeting.

For the two years to come, the remuneration policy will be applied coherently with the one followed until now. It will eventually take into account the professionalization of the governance of the company.

1.2. Remuneration in 2014

Since the Ordinary General Meeting of May 2010, the remuneration is fixed as follows:

- Remuneration of the mandate as Director for a fixed annual amount of EUR 4,000.
- EUR 750 (resp. EUR 1,000) per attendance to a Board meeting for each non-executive Director (resp. the non-executive Chairman of the Board)
- EUR 750 (resp. EUR 1,000) per attendance to a committee meeting (Audit, Remuneration or Strategic) for each non-executive Director (resp. the non-executive Chairman of the Board)

No termination compensation is provided for non-executive Directors at the end of their mandate. Non-executive directors do not receive any shares, warrants or stock options.

In 2014, Directors received the following compensation for the execution of their mandate:

		Fixed amount	Variable amount linked to attended meetings		TOTAL 2014
		Board of Directors	Board of Directors	Special committees	
Non executives					
ACCES DIRECT SA, represented by Pierre RION	Chairman, Independent Director	4,000	10,000	5,500	19,500
Francis BODSON	Director	1,667	2,250	-	3,917
Françoise CHOMBAR	Independent Director	4,000	7,500	3,000	14,500
Jean DUMBRUCH	Director	1,667	2,250	-	3,917
Jacques GALLOY	Director	1,667	2,250	-	3,917
Christian RASKIN	Independent Director	4,000	7,500	9,000	20,500
Freddy TACHENY	Independent Director	4,000	6,000	2,250	12,250
Yves TROUVEROY	Independent Director	4,000	7,500	2,250	13,750
Executives					
Michel COUNSON	Managing Director, founder	4,000	-	-	4,000
Joop JANSSEN	Managing Director (1)	-	-	-	-
Muriel de LATHOUWER (2)	Executive Director	4,000	5,250	3,000	12,250

(1) Joop Janssen left EVS on October 13, 2014, in agreement with the Board of Directors. He also resigned from his directorship. His remuneration as Director in 2014 was included in the severance package.

(2) Muriel De Lathouwer fulfilled the criteria of independence until October 13, 2014, date of her appointment as President of the Executive Committee (ad interim).

As of December 31, 2014 based on the last statements received by the company and the latest modification of the shareholders' register, the members of the Board of Directors held, directly or indirectly, 879,906 shares of a total of 13,625,000, or 6.5% of the capital. Executive Directors do not hold any warrants.

The Board of Directors, its Committees and the Directors, are evaluated on a regular basis. The main characteristics of this evaluation process are described in the corporate governance charter of EVS.

2. THE CEO AND THE OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT

2.1. Remuneration policy

2.1.1. Fixed and variable remuneration

The remuneration policy aims to attract, maintain and motivate competent and professional employees. For this reason, the amount of the remuneration is determined as a function of the individual tasks and responsibilities. The Remuneration Committee assesses annually the total remuneration and organizes additional meetings when needed. The level of remuneration is also compared to external references, either through studies or through external counsels.

The contribution made by the members of the executive management to the development of the activities and the results of the group are a substantial part of the remuneration policy.

In order to align the interests of the members of the executive management with the interests of the company and its shareholders, a part of the remuneration is linked to the results of the Company and another part to the individual performance.

The results of the Company are based on sales and operational result of the past financial year. These criteria, as proposed by the Remuneration Committee, are evaluated by the Board of Directors annually and adapted when necessary.

The individual performance is based on a clearly defined evaluation system based on the achievement of specific measurable objectives, the realization of important key figures and the respect of core values which are important for the Company. All goals should be in line with the group strategy, the key values and the guidelines. The individual goals are determined annually during individual appraisals at the beginning of the financial year. There is no provision of Formal right of recovery of the variable compensation awarded on the basis of erroneous financial information, for the benefit of the Company. The evaluation period is the last fiscal year, and the variable compensation amount is determined at the end of the first quarter of the next year.

The potential contributions for pensions and insurances are linked to the fixed remuneration.

As remuneration for his/her services, the CEO receives:

- a fixed remuneration,
- a variable remuneration or bonus according to the criteria mentioned above, and,
- certain fringe benefits.

For the CEO (Mr. Janssen until October 13, 2014), Extraordinary General Meeting of August 31, 2012 approved the deviation from above mentioned stipulation of article 520ter paragraph 2 of the Belgian Code of Companies and not spread the payment of the variable remuneration over time, but to fix this one based on the development of the operational result in that specific year. The variable compensation of the CEO has been defined in the invitation to the Extraordinary General Meeting of August 2012 and is exclusively linked to the achievement by EVS of the EBIT target set by the Board of Directors. The CEO has received an exit package (including the variable compensation elements) of EUR 460,000; his 25,000 warrants received on February 20, 2014 have been cancelled.

Most of the members of the executive management also have a company car at their disposal and are covered by a group insurance plan (see also note 6.3.1).

For the coming years, the remuneration policy will be consistent with the one followed until now, however it will exclude working capital targets from the variable incentive schemes as working capital elements are managed by the policies in place. It tends to a harmonization of the variable incentive schemes to include EBIT and progress on the multi-year strategic growth plan approved by the Board. It takes into account the professionalization of the governance of the Company.

2.1.2. Other elements of the remuneration

Since approximately ten years, every two years during major summer sporting events, there is a grant of warrants for some members of the staff. A rigorous process supervised by the Remuneration Committee manages the grant, promotes loyalty, ensuring balance and fair distribution. The last grant was done in July 2014. 99,500 warrants were granted to approximately 70 staff with an average of 1,365 warrants per person and an average strike price of 39,94 Euro/share. Some punctual grants also take place for strategic recruitments. 37,250 of the granted warrants were cancelled in 2014, including the cancellation of 25,000 warrants granted to the CEO.

The warrants and options are granted at no-cost and are not linked to the performances of the Company, but to the level of responsibility and the added value of the people. Very rarely, warrants or options are granted, on an individual basis, for exceptional reasons exposed to the Board of Directors, who approves them.

They can only be exercised from the third calendar year following the offering of these options or warrants. The warrants are granted according to the provisions identified in the law of 26 March 1999 concerning the Belgian action plan for job opportunities 1998. The exercise of warrants could result in the subscription of new shares in the event of a capital increase unless the Board of Directors decides to distribute shares that were purchased by the Company (warrants qualified as “sui generis”).

Severance pay
In the case that severance pay amounts to more than 12 months of the fixed and variable remuneration (or more than 18 months based on a motivated decision by the Remuneration Committee), the allotment of this remuneration will be presented for approval to the General Meeting. The severance pay for the CEO and other members of the Executive Committee amounted to EUR 625,000 in 2014 (EUR 460,000 for the CEO). For the other members of the executive management, no severance pay conditions exceeding 12 months have been agreed. In the case of any potential severance, the remuneration will be determined based on applicable current employment laws and practice.

2.2. Compensation received in 2014

2.2.1. CEO

Joop Janssen, CEO, finished his mandate on October 13, 2014. For the year 2014 he received a fixed compensation of EUR 190,076, severance pay of EUR 460,000 (including variable compensation) in line with the initial agreement signed in 2012 with the CEO, and contributions for pension plan of EUR 33,108. His other advantages amounted to EUR 20,370 in 2014. The 25,000 warrants granted on February 20, 2014, were cancelled. MucH sprl, permanently represented by Muriel De Lathouwer, was appointed as President of the Executive Committee on October 13, 2014 and received a total compensation of EUR 77,250 for the executive function. Muriel De Lathouwer, as a natural person, received compensation for her director's mandate, as mentioned in section 1.2.

2.2.2. Other members of the executive management

For fiscal year 2014, the other members of the executive management were:

- Magdalena BARON, Senior Vice President, CFO, Corporate Services
- Luc DONEUX, Executive Vice President, Sports Division and, since December 1 2014, CCO
- Henry ALEXANDER, Senior Vice President, Entertainment & News Divisions and, since December 1 2014, Senior Vice President Market and Product
- Benoît FEVRIER, Senior Vice President, Media Division and, since December 1 2014, CTO
- Bernard STAS, Senior Vice President, Product Strategy (until June 30, 2014)
- Vincent THEUNISSEN, Senior Vice President, Human Resources (until March 31, 2014) *
- Christine VANDER HEYDEN, Senior Vice President, Human Resources (since April 1, 2014)
- Frédéric NYS, Senior Vice President, Operations (until September 25, 2014)
- Nicolas BOURDON, Senior Vice President, Marketing (until November 30, 2014) *.

* Vincent Theunissen and Nicolas Bourdon are still with EVS, but are not part of the Executive Committee anymore.

The other members of the executive management received, in 2014, on a prorata basis of their presence in the executive management: a fixed global compensation of EUR 1,416,460, a global variable compensation of EUR 908,784 (including sales commission), a contribution for pension of EUR 44,930 (see more details on the plan in note 6.3.1) and other benefits for EUR 431,764 (including severance pay of EUR 165,000, sign-in bonuses of EUR 105,000 and company cars).

Stock options are awarded to the other members of the executive management after the Board of Directors' approval upon the recommendation of the Remuneration Committee. In 2014, in relation with strategic recruitments, 10,000 warrants were granted to Magdalena Baron with an exercise price of EUR 45,71. The number of remaining warrants for the other members of the executive management at the end of December 2014 amounts to 46,000, granted between 2006 and 2014 at an average exercise price of EUR 39.82.

3. CONFLICT OF INTEREST PROCEDURES

During the year under review, there was no conflict of interest according to the specific procedure provided for under Articles 523 and 524 of Company Law.

RISKS AND UNCERTAINTIES

Investing in the stock of EVS Broadcast Equipment ("EVS") involves risks. As requested by the EU Regulations and the Belgian law (Company Code and Royal Decree of 14 November 2007), you and any investor should carefully consider the following risk factors and all other information contained in this annual report before purchasing our common stock. If any of the following risks occurs, our business, financial condition or results of operations could be seriously harmed. In that case, the trading price of our common stock could decline, and you may lose some or all of your investment.

We distinguish primary and secondary risks.

1. PRIMARY RISKS

- We face competition and if we are unable to compete effectively, we may experience decreased sales or pricing pressure, which would negatively impact our future operating results.
- We derive a substantial majority of our revenues from customers in the broadcast industry that use our products for both production and transmission of television content. If we fail to generate continued revenues from this market or if there is a downturn in this market, our revenues could decline.
- We depend on sales of our XT and XS video server products. If market demand for these products does not continue, our future operating results could be harmed.
- Our business may be harmed if our contract manufacturers are not able to provide us with adequate supplies of our products.
- If we experience delays, shortages or quality issues from our component suppliers, our product sales could suffer.
- The current transition phase of the company may cause the voluntary or non-voluntary replacement of some key people. More generally, our future success depends on our ability to attract and retain key personnel, and our failure to do so could harm our ability to grow our business.
- The average selling price of our products may decrease, which could negatively impact our operating results.
- Our end users require a high degree of product reliability. If we are unable to provide high quality products, our relationships with end users could be harmed.
- If we fail to develop and introduce new products or enhancements to existing products in a timely manner, or if we fail to manage product transitions, we could experience decreased revenues in the future.
- If we fail to respond to technological changes and evolving industry standards, our products could become obsolete or less competitive in the future.
- If our products do not interoperate with other systems, installations could be delayed or cancelled.
- Our products are highly complex and may contain undetected software or hardware errors, which could harm our reputation and future product sales.
- If we fail to manage our growth effectively, our business could be harmed.

2. SECONDARY RISKS

- We may not be able to continue to maintain or increase our profitability and our recent growth rates may not be indicative of our future growth.
- Our quarterly operating results have fluctuated in the past and may continue to fluctuate in the future, which could cause our stock price to decline.
- We have significant international operations and derive most of our revenues from international customers, which exposes us to significant risks, including risks relating to currency fluctuations.
- Our future financial performance depends on growth in the markets for video servers and digital tapeless solutions. If these markets do not continue to grow at the rate that we forecast, our operating results would be materially and adversely impacted.
- Investment processes of our clients can be lengthy and unpredictable, which may make it difficult to predict sales in any particular quarter.
- Our use of open source software and other third-party technology and intellectual property could impose limitations on our ability to market our products.
- Failure to protect our intellectual property could substantially harm our business.
- If a third party asserts that we are infringing its intellectual property, whether successful or not, it could subject us to costly and time-consuming litigation or expensive licenses, which could harm our business.
- We are subject to governmental export controls that could subject us to liability or adversely affect our ability to sell our products in international markets.
- We are subject to environmental and other health and safety regulations that may increase our costs of operations or limit our activities.
- We may expand through acquisitions of, or investments in, other companies, each of which may divert our management's attention, result in additional dilution to stockholders or use resources that are necessary to operate other parts of our business.

- The issuance of new accounting standards or future interpretations of existing accounting standards could adversely affect our operating results.
- Maintaining and improving our financial controls and the requirements of being a public company may strain our resources and divert management's attention.
- We or one of our affiliate might require additional capital to support business operations, and this capital might not be available on acceptable terms, or at all.

The Board of Directors
Liège, April 3, 2015

CERTIFICATION OF RESPONSIBLE PERSONS

Muriel De Lathouwer, Managing Director and CEO
Magdalena Baron, CFO

certify that, based on their knowledge,

a) the annual 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 evolution of the business, the results and the situation of the issuer and the companies included in the consolidation, as well as a description of the main risks and uncertainties.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Note	2014 audited	2013 audited
Revenue	3	131,403	129,091
Costs of sales		-33,557	-31,583
Gross margin		**97,846**	**97,507**
Gross margin %		**74.5%**	**75.5%**
Selling and administrative expenses		-25,126	-24,416
Research and development expenses	13	-25,214	-22,758
Other revenue		138	370
Other expenses		-193	-338
Stock based compensation and ESOP plan	6.3	-1,000	-1,238
Amortization and impairment on goodwill, acquired technology and IP	11	-364	-725
EBIT before repositioning costs		**46,087**	**48,403**
EBIT % before repositioning costs		**35.1%**	**37.5%**
Interest revenue on loans and deposits	6.1	196	213
Interest charges	6.1	-331	-265
Other net financial incomes/(charges)	6.1	1,128	154
dcinex disposal	5	1,977	
Share in the result of the enterprise accounted for using the equity method	5	-122	191
Profit before taxes (PBT)		**48,933**	**48,695**
Income taxes	7	-14,675	-15,345
Net profit from continuing operations		34,259	33,349
Net profit		34,259	33,349
Attributable to:			
Non controlling interests	10.2	-1,279	-681
Equity holders of the parent company		**35,537**	**34,030**
Net profit from operations, excl. dcinex - share of the group (1)	**6.2**	**35,173**	**35,907**

EARNINGS PER SHARE *(in number of shares and in EUR)*	**8**	**2014 audited**	**2013 audited**
Weighted average number of subscribed shares for the period less treasury shares		13,513,053	13,480,715
Weighted average fully diluted number of shares (2)		13,894,568	13,804,067
Basic earnings - share of the group		2.63	2.52
Fully diluted earnings - share of the group (2)		2.56	2.47
Basic net profit from operations, excl. dcinex - share of the group		2.60	2.66

STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)		2014 audited	2013 audited
Net profit		**34,259**	**33,349**
Other comprehensive income of the period			
Currency translation differences		431	-141
Other increase (+)/decrease (-)		-36	-196
Total comprehensive income of the period		**34,654**	**33,012**
Attributable to:			
Minority interests	10.2	-1,279	-681
Equity holders of the parent company		**35,932**	**33,693**

(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. Please also refer to note 6.2 on use of non-GAAP financial measures.
(2) Excluding 372,050 warrants that were out of money at the end of December 2014, fully diluted earnings per share in 2014 would have been EUR 2.63.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

ASSETS (EUR thousands)	Note	Dec. 31, 2014 audited	Dec. 31, 2013 audited
Non-current assets :			
Goodwill	10	1,125	1,393
Acquired technology and IP	11	0	96
Other intangible assets	11	415	630
Lands and buildings	12	46,088	31,855
Other tangible assets	12	1,835	1,843
Investment accounted for using equity method	5	836	8,480
Bonds (Ymagis)	5	6,361	-
Subordinated loans	14	151	1,330
Other financial assets	14	260	252
Total non-current assets		**57,071**	**45,878**
Current assets :			
Inventories	15	15,365	16,193
Trade receivables	16	28,210	29,535
Other amounts receivable, deferred charges and accrued income		5,486	5,569
Other financial assets		1,575	1,611
Cash and cash equivalents	18	25,556	10,139
Total current assets		**76,191**	**63,048**
Assets classified held for sale	**19**	**6,445**	**-**
Total assets		**139,707**	**108,926**

EQUITY AND LIABILITIES (EUR thousands)	Note	Dec. 31, 2014 audited	Dec. 31, 2013 audited
Equity :			
Capital	**20**	**8,342**	**8,342**
Reserves	20.6	83,650	80,395
Interim dividends	9, 20.6	-13,485	-15,650
Treasury shares	20.6	-5,364	-5,029
Total consolidated reserves		**64,801**	**59,716**
Translation differences	20.7	371	-60
Equity attributable to equity holders of the parent company		**73,514**	**67,998**
Non-controlling interest		**6**	**469**
Total equity		**73,520**	**68,466**
Long term provisions	22	1,077	1,254
Deferred taxes liabilities	7.3	1,627	1,043
Financial long term debts	21	24,800	8,282
Other long term debts		2,151	-
Non-current liabilities		**29,655**	**10,579**
Short term portion of financial long term debts	21	7,107	1,791
Trade payables	23	5,225	5,446
Amounts payable regarding remuneration and social security		9,932	9,257
Income tax payable		8,195	4,666
Other amounts payable, advances received, accrued charges and deferred income	23	6,075	8,721
Current liabilities		**36 ,533**	**29,881**
Total equity and liabilities		**139,707**	**108,926**

CONSOLIDATED STATEMENT OF CASH FLOW

(EUR thousands)	Note	2014 Audited	2013 Audited
Cash flows from operating activities			
Operating Profit (EBIT)		46,087	48,403
Adjustment for non-cash items :			
- Depreciation and write-offs on fixed assets		2,599	3,684
- Stock based compensation and ESOP		1,000	1,238
- Provisions and deferred taxes increase (+)/ decrease (-)		406	-774
		50,092	**52,551**
Increase (+)/decrease (-) of cash flows			
- Amounts receivable	16	1,325	-8,434
- Inventories	15.1	828	-325
- Trade debts	23	-221	-1,180
- Remuneration, social security and taxes debts		4,240	3,657
- Other items of the working capital		-1,472	1,524
Cash generated from operations		*54,791*	*47,792*
Interest received	6.1	196	213
Income taxes	7	-14,675	-15,345
Net cash from operating activities		**40,313**	**32,659**
Cash flows from investing activities			
Purchase (-)/disposal (+) of intangible assets		-245	-1,656
Purchase (-)/disposal (+) of property, plant and equipment		-22,445	-15,114
Purchase (-)/disposal (+) of other financial assets	14	-4,797	-429
Net cash used in investing activities		**-17,893**	**-17,199**
Cash flows from financing activities			
Operations with treasury shares	20	-335	1,383
Other net equity variations		-61	231
Interest paid		-331	-265
Movements on borrowings	21	21,834	9,241
Interim dividend paid	9	-13,485	-15,650
Final dividend paid	9	-13,625	-19,933
SVS cash impact	10.2	-1,000	-
Net cash used in financing activities		**-7,003**	**-24,993**
Net increase (+)/ decrease (-) in cash and cash equivalents		**15,417**	**-9,533**
Cash and cash equivalents at beginning of period		**10,139**	**19,672**
Cash and cash equivalents at end of period		**25,556**	**10,139**

CONSOLIDATED STATEMENT OF CHANGES 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, 2012	**8,342**	**65,255**	**-6,413**	**81**	**67,266**	**8**	**67,274**
Total comprehensive income for the period		33,834		-141	33,693	-681	33,012
Business combination						1,142	1,142
Share-based payments		1,238			1,238		1,238
Operations with treasury shares			1,383		1,383		1,383
Final dividend		-19,933			-19,933		-19,933
Interim dividend		-15,650			-15,650		-15,650
Balance as per December 31, 2013	**8,342**	**64,745**	**-5,029**	**-60**	**67,998**	**469**	**68,466**

(EUR thousands)	Issued capital	Other reserves	Treasury shares	Currency translation differences	Equity attributable to shareholders of the parent company	Non controlling interest	Total equity
Balance as per December 31, 2013	**8,342**	**64,745**	**-5,029**	**-60**	**67,998**	**469**	**68,466**
Total comprehensive income for the period		35,501		431	35,932	-1,279	34,653
Business combination		-3,971			-3,971	816	-3,155
Share-based payments		1,000			1,000		1,000
Operations with treasury shares			-335		-335		-335
Final dividend		-13,625			-13,625		-13,625
Interim dividend		-13,485			-13,485		-13,485
Balance as per December 31, 2014	**8,342**	**70,165**	**-5,364**	**371**	**73,514**	**6**	**73,520**

NOTES TO THE IFRS CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION ABOUT THE COMPANY

1.1. Identification

EVS Broadcast Equipment SA
Liege Science Park
Rue Bois Saint-Jean, 13
B-4102 Seraing
VAT: BE 0452.080.178
National Registered Number: BE0452.080.178
www.evs.com

EVS Broadcast Equipment SA was incorporated for an unlimited period on February 17, 1994 in the form of a public limited company governed by Belgian law. EVS Broadcast Equipment SA is a company whose shares are publicly traded. It has its head office in Belgium.

The consolidated financial statements of EVS Broadcast Equipment SA as at December 31, 2014 were established by the Board of Directors of April 3, 2015. The Board of Directors is authorized to amend the consolidated financial statements up until the Annual General Meeting of Shareholders, scheduled to be held on May 19, 2015.

The financial year starts on January 1 and ends on December 31 of each year. The consolidated financial statements are reported in euros (EUR).

1.2. Public information

The company's financial statements are filed with the "Banque Nationale de Belgique". Corporate by-laws and special reports required by the "Code des Sociétés" can be obtained from the Commercial Court Registry in Liège and from the Belgian Official Bulletin "Moniteur Belge" and its related website ("http://www.ejustice.just.fgov.be/tsv/tsvf.htm"). These documents, as well as annual statements and any written information to shareholders, are also available at the company's registered office. Financial information is available on the Internet at www.evs.com.

1.3. Corporate purpose of the company

The corporate purpose of the company is the "development, marketing and exploitation of audiovisual equipment as well as, more generally, any operations of a general, commercial, industrial, financial, fixed or movable property nature, in Belgium or elsewhere, directly or indirectly relating to the processing of pictures and sound, in whatever possible form. The company may have interests in any manner in any kind of businesses, firms or companies with identical, analogous, similar or connected aims or which could further the development of its activities, supply it with raw materials or facilitate outlets for the company's services".

2. SUMMARY OF THE IFRS SIGNIFICANT ACCOUNTING PRINCIPLES

2.1. Basis of presentation of the financial statements

The consolidated accounts of the group have been prepared on an historical cost basis, except for the share based payments, buildings and derivative financial instruments, which are measured at their fair value. The consolidated accounts are presented in euros (EUR) and all the values are rounded figures to the nearest thousand unless otherwise indicated.

2.2. Statement of compliance

The consolidated accounts of EVS Broadcast Equipment SA and of its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

2.3. Provision adopted during the transition to IFRS in 2005

The company used the possibility offered by IFRS 1 which consists of:

- not applying IFRS 2 for transactions settled in equity instruments allocated before 7 November 2002 and not tested before this transition date;
- not applying IFRS 3 to business combinations that occurred before the transition date.

2.4. New norms, interpretations and amendments

During the current financial year, the Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, that are relevant to its operations and effective for the accounting year starting on January 1, 2014. The Group has not applied any new IFRS requirements that are not yet effective as per December 31, 2014. The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC are effective for the current annual period: IFRS 10, IFRS 11, IFRS 12, IAS 27, IAS 32, IAS 36, IAS 39. The adoption of these new standards and amendments has not led to major changes in the Group's accounting policies.

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued but are not yet effective as per December 31, 2014: annual Improvements to IFRSs 2010-2012 Cycle (issued by the IASB in December 2013), annual Improvements to IFRSs 2011-2013 Cycle (issued by the IASB in December 2013), annual Improvements to IFRSs 2012-2014 Cycle (issued by the IASB in September 2014), amendments (IFRS 10, IFRS 11, IAS 1, IAS 16, IAS 19, IAS 27, IAS 28, IAS 38, IAS 39, IAS 41), norms (IFRS 7, IFRS 9, IFRS 12, IFRS 14, IFRS 15). None of the other new standards, interpretations and amendments, which are effective for annual periods beginning after 1st of January 2015 and which have not been adopted early, are expected to have a material effect on the group's future financial statements.

2.5. Summary of changes in accounting policies

The accounting rules and methods used are similar to those used during the previous fiscal year.

2.6. Consolidation principles

The consolidated financial statements include the financial statements of EVS Broadcast Equipment SA and of its subsidiaries prepared as at December 31 of each year. The financial statements of the subsidiaries are prepared on the same date and in accordance with identical accounting principles. All the intra-group balances, intra-group transactions as well as the income, the expenses and the latent results included in the carrying amount of assets, generated by internal transactions, are eliminated in full.

2.7. Subsidiaries

The subsidiaries are companies controlled by EVS, for which the following are met: (a) EVS has the power (legally or de facto) over the investee; (b) EVS is exposed or entitled to variable returns from its involvement with the investee; and (c) EVS's ability to use its power over the investee to affect the amount of returns it gets..
The subsidiaries are consolidated as from the acquisition date, which corresponds to the date on which the group took over control and up until such date as the exercise of this control ceases.
All companies over which control is exercised directly or indirectly are fully consolidated.
When a change occurs in the controlling power within a subsidiary, the consolidated accounts integrate the profit and loss up to the date which EVS Broadcast Equipment SA loses the control.

2.8. Interests in joint ventures and in associates

Joint ventures (in accordance with the processing prescribed by IFRS 11) as well as associates are recognized according to the equity accounting method.
These investments are carried in the balance sheet at the lowest value between that obtained by the equity method and the recoverable value. The group's share in the profit and loss of the joint ventures and of the associates is entered into the profit and loss account.
The financial statements of the joint ventures and of the associates are used by the group in order to apply the equity accounting method.
The financial statements of the joint ventures and of the associates are prepared on the same reporting date as the parent company, on the basis of similar accounting principles.

2.9. Summary of significant decisions and estimates

2.9.1. Decisions

To prepare financial statements in accordance with the group's accounting methods, management has made assumptions, in addition to those that call for recourse to estimates, some of which have a significant effect on the amounts recognized in the financial statements:

Research and Development costs: the group has considered that it cannot make a clear distinction between the research phase and the development phase of a project developed internally. The group has also considered that the costs incurred consisted of a routine process that does not generate any major innovation but scalable technologies. Moreover, the group sells products in a market that is subject to rapid technological change, new product development and changing customer needs. Accordingly, the group has concluded that it cannot determine technological feasibility until the development stage of the product is nearly complete. For these reasons, R&D is expensed, not capitalized.

2.9.2. Recourse to estimates

In order to prepare the financial statements in accordance with the IFRS standards, it is up to management to establish a certain number of estimates and assumptions in order to determine the amounts reported in the financial statements and their notes. The estimates carried out on each reporting date reflect the conditions in force on these dates (for example: market price, interest rates and exchange rates).
Although these estimates are based on the best knowledge of management of the existing events and of the actions that the group could undertake, the real results may differ from these estimates.

2.10. Foreign currency translation

Each entity of the group determines its own functional currency and the elements included in the financial statements of each of the entities are measured by using this functional currency.
The functional currency of EVS Broadcast Equipment SA as well as all of the subsidiaries is the euro, except for the EVS Inc. subsidiary, whose functional currency is the US dollar.
The presentation currency of the financial statements of EVS Broadcast Equipment SA is the euro.

2.10.1. Financial statements of foreign companies

For all the subsidiaries, except for EVS Inc., transactions in foreign currencies are initially recorded in the functional currency at the exchange rate in force on the transaction date. On the reporting date, the monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate in force on the reporting date. The non-monetary items in foreign currency that are measured at the historical cost are converted at the exchange rates in force on the initial transaction dates. All the exchange differences are recognized in consolidated income statement.
For the EVS Inc. subsidiary that operates in USD, on the reporting date, the assets and liabilities are converted into the functional currency of the group (EUR) at the exchange rate in force on the reporting date, their equity is converted at historical exchange rate and their income statement is converted at the average exchange rate of the period. Any exchange differences resulting from this conversion are recognized directly under a different heading of the shareholders' equity.

2.10.2. Transactions in foreign currencies

The transactions in foreign currencies are recognized at the exchange rate in force on the transaction date. The monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in force on the reporting date. The exchange gains or losses resulting from monetary transactions and the conversion of monetary assets or liabilities are recognized in the income statement.
The non-monetary assets and liabilities are converted at the exchange rate of the foreign currency in force on the transaction date.

2.10.3. Exchange rates used

USD / EUR exchange rate	2014 average	At December 31
2014	1.3280	1.2141
2013	1.3281	1.3791
Variation	*-0.0%*	*+13.6%*

2.11. Intangible assets

Intangible assets acquired other than goodwill are recognized at cost.
Intangible assets with a finite useful life are depreciated on a straight-line basis over the duration of their economic utility (3 years for software, between 3 and 5 years for the other intangible assets) and reviewed for impairment testing each time there is a sign of impairment in the intangible asset.
The depreciation duration and method are reviewed every year. The carrying amounts of the intangible assets are reviewed for impairment when events or changes indicate that the carrying amount may not be recoverable.

2.12. Business combinations

Business acquisitions are accounted using the purchase method. The counterpart, transferred in connection with a business combination, is measured at fair value, which is calculated as the sum of the fair values at the acquisition date of the assets transferred by the Group, the liabilities incurred by the Group in favor of the former owners of the acquired company and the part of equity issued by the Group in exchange for control of the acquired company. The acquisition-related costs are generally recognized in profit or loss as incurred.

When consideration transferred by the Group as part of a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its fair value at the acquisition date and included in consideration transferred under the business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognized retrospectively, with corresponding adjustment to goodwill. The adjustments of evaluation periods result from additional information about facts and circumstances that existed at the date of acquisition obtained during the "evaluation period" (maximum of one year from the acquisition date).

Changes resulting from events after the acquisition date, such as the achievement of an earnings target, are not measurement period adjustments. In this case, the changes in fair value of contingent consideration meeting the definition of a financial liability are recognized in net income.

2.13. Goodwill

Goodwill is the difference between the cost of an acquisition and the share of the acquirer's interest in the net fair value of the identifiable assets, certain liabilities and eventual liabilities. The goodwill is not depreciated but must be reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, in accordance with IAS 36.
If the share held by the company in the net fair value of the identifiable assets, liabilities and eventual debts of the acquired company exceeds the cost of the combination, the surplus is immediately recognized in the profit and loss account.

2.14. Tangible assets

Land and buildings held for use in the production or supply of goods or services, or for sale and administration purposes, are stated in the balance sheet at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation, less any accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date. The company reevaluates its lands and buildings every three years.

The new building, under construction at December 31, 2014 is recorded at cost. The value will be reduced with depreciation and will not be subject to fair value revaluation. The cost includes fees and costs and capitalized borrowing.

From the commissioning of the building in 2015, the cost of the building, less estimated residual value, will be amortized over the estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period of the financial information.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred to accumulated profits.

The other tangible assets are recognized in the balance sheet at cost price, less accumulated depreciations and impairment losses.

The depreciation is calculated on straight-line basis over the estimated useful life of the asset. The useful life is examined on an annual basis.

The estimated useful lives of the tangible assets are as follows:

- Buildings: between 10 and 30 years
- Vehicles: between 3 and 5 years
- IT equipment: between 3 and 4 years
- Office furniture and equipment: between 3 and 10 years
- Plant and equipment: between 3 and 10 years
- Other tangible assets: between 3 and 4 years

The depreciation is calculated from such time as the asset is available for use. The carrying amounts of the tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If anything points to such a situation, and if the carrying amounts exceed the estimated recoverable value, the assets or the cash generating units are depreciated to be brought back to their recoverable value. Impairment losses are recognized in the profit and loss account.

A tangible asset is no longer recognized in the accounts from such time as it is sold or no future economic benefit is expected from the asset. Any gain or loss generated at the time of the sale (calculated as the difference between the sale price and the net carrying amount of the element) is recognized in the course of the period during which it was sold.

2.15. Non-current assets held for sale

Non-current assets and groups supposed to be sold are classified as held for sale if their carrying amount will be recovered mainly through a sale transaction rather than through continued use. This condition is fulfilled only when the asset (or group held for sale) is available for immediate sale in its present condition, only subject to terms that are usual and customary for sales of such assets (or group held for sale) and that its sale is highly probable. Management must be committed to the sale and must expect that the sale qualifies for recognition as a completed sale within one year from the date of its classification.

Non-current assets (and groups held for sale) classified as held for sale are measured at the lower of their carrying amount and fair value less sale costs.

2.16. Inventories

Inventories are valued at the lower of cost and net realizable value.
Costs incurred in bringing stocks to the right place in the appropriate conditions are recognized as follows for both the current and previous year:

- the cost of the raw materials is determined using the weighted average price method;
- the cost of the finished goods and work-in-progress is the full cost, which covers all the direct costs (materials and labor) and a portion of the indirect production costs necessary to take the stock to completion on the reporting date, excluding the borrowing costs.

The net realizable value is the estimated sale price at the normal rate of the activity, less the estimated costs for the completion of the goods and the estimated costs necessary to realize the sale.

2.17. Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion activity at the balance sheet date. The completion level of the projects is determined on a quarterly basis, depending on the effective level of completion of the specifications. This is the result of a dialogue between the Business Controller, the Project Manager, the legal department and the customer. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

2.18. Trade and other receivables

Receivables are stated in the balance sheet at original invoice amount less an allowance for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer expected. Bad debts are written off when identified.

2.19. Other current and non-current assets

The other current and non-current assets are recognized at the depreciated cost.

2.20. Cash and cash equivalents

The cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity of less than three months. All the investments are recognized at their nominal value in the financial statements.

2.21. Treasury shares

Sums paid or received during the acquisition or sale of the company's treasury shares are recognized directly in the equity. No profit or expense is included in the income statement during the purchase, sale, issuance or cancellation of treasury shares. The treasury shares are classified under the "treasury shares" heading and are deducted from the total shareholders' equity.

2.22. Non-controlling interests

Non-controlling interests represent the share of the net profit and loss from the operations and the net assets of a subsidiary that are allocated to interests not held by the group, whether directly or indirectly via subsidiaries.

2.23. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the amount received, less the transaction costs to be allocated directly if they are significant. After the initial recognition, interest-bearing loans and borrowings are measured at the depreciated cost, using the effective interest rate method. The profits and losses are recognized in the results when the liabilities are derecognized and via the depreciation process.

2.24. Provisions

Provisions are recognized when the group has a present obligation (legal or implicit) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation value. When the group is expecting the repayment of the provision, the repayment is recognized as a different asset but only if this repayment is almost certain.
If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.25. Pensions and other post-employment benefits

The post-employment benefits include pensions.
The group operates one defined contribution pension scheme. The minimum legal contribution is partially warranted by the insurance company. The contributions to this defined contribution pension scheme are recognized as an expense in the income statement at the time when they are made.
No other post-employment benefit is provided to the personnel.

2.26. Share-based payment

The group's employees and management receive a remuneration in the form of a share-based payment, such as a non-transferable stock option plan (warrants), which allows them to acquire or receive group shares (equity-settled transactions), or such as payments determined on the value of the share (cash-settled transactions).

2.26.1. Equity-settled transactions

The cost of the stock option plans (warrants) is determined by reference to the fair value of the equity instruments granted, measured on the grant date. The fair value is determined using the Black & Scholes model, taking into account the characteristics and conditions governing the granting of the instruments.
The cost of equity-settled transactions is recognized as an expense and is offset by a corresponding increase in shareholder's equity over a period that ends on the date on which the beneficiary becomes creditor of the bonus.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of "fully diluted" earnings per share.
The group has taken advantage of the transitional provisions of IFRS 2 in respect of equity-settled awards and has applied IFRS 2 only to equity-settled awards granted after 7 November 2002.

2.26.2. Cash-settled transactions

The cost of cash-settled transactions with employees is initially measured by reference to the fair value at the date at which they are granted, and subsequently revalued at the fair value at each closing date.
The cost of cash-settled transactions is recognized, together with a corresponding increase in debt, over the year in which the performance conditions are fulfilled, ending on the average date on which the relevant employees become fully entitled to the award ("Vesting date").

2.27. Revenue recognition from ordinary activities

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.
As far as the sale of goods is concerned, revenues are recognized as soon as the company has transferred the significant risks and benefits inherent to the ownership of the goods to the buyer. Sales are recognized when there is clear evidence of an agreement, when the delivery has taken place, when the remuneration is determined and determinable and when it is probable that the payment will be received.
As regards the services provided, revenues are also recognized in line with the work in progress. The completion level of the projects is determined on a quarterly basis, depending on the effective level of completion of the specifications. This is the result of a dialogue between the Business Controller, the Project Manager, the legal department and the customer.
Revenues from public subsidies are deducted from the depreciation charge at the rate of depreciation of the goods for which they have been obtained.
Interest revenue is recognized as interest accrues.
The dividends that are received from subsidiaries are recognized when the group has a right to receive that payment.

2.28. Leases (EVS as lessor)

The existence of a lease within an agreement is reported on basis of the substance of the agreement.

2.28.1. Finance leases

When assets are leased out under a finance lease, the present value of the future lease payments is recognized as an earned product (within trade receivables). The difference between the gross total receivable (lease and financing) and the value of the receivable is recognized as unearned finance income.

2.28.2. Operating leases

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income is recognized over the term of the lease on a straight-line basis.

2.29. Government grants

2.29.1. European Union grants

Subsidies from the European Union are recognized at their fair value where there is reasonable assurance that they will be received and that all the conditions will be satisfied.
When the grant relates to an expense item, it is recognized as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate.
When the grant relates to an asset, the fair value is deducted from the carrying value of the related assets.

2.29.2. Investment grants

Investment grants are recognized when there is reasonable assurance that they will be received and that all the conditions attached will be satisfied.
Investment grants are recognized after deduction from the assets concerned and they are automatically deducted in the income statement from the depreciations of these assets.

2.30. Leases (EVS as lessee)

The existence of a lease within an agreement is reported on basis of the substance of the agreement.

2.30.1. Finance leases

Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant reimbursement on the remaining balance of the liability. Finance charges are directly recognized in the income statement.

2.30.2. Operating leases

Leases where the lesser retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

2.31. Research and development costs

As the group is unable to make a distinction between the research phase and the development phase of an internal project, all the costs are consequently considered to have been incurred only during the research phase. The group also considers that the costs incurred after the commercial launch consist of a routine process that does not generate a major innovation but evolving technologies.
Generally speaking, we should note that the period between the end of the research phase of a project and its commercial launch is less than one year.
Consequently, the research and development costs are recognized as expenses when incurred.

2.32. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets are part of the cost of the asset. Other borrowing costs are recognized in the income statement for the year in which they occurred.

2.33. Income taxes

Income taxes for the period include both current and deferred taxes. They are recognized in the income statement except where they relate to items recognized directly in equity, in which case, they are also directly recognized in the equity.

2.33.1. Current taxes

Taxes due for the period are calculated on the income statement of the group's companies and are calculated according to the rules laid down by the local tax authorities.

2.33.2. Deferred taxes

Deferred taxes are recognized using the variable carry-forward method, for all temporary differences on the reporting date between the tax base of the assets and liabilities and their carrying amount on the balance sheet.

Deferred tax liabilities are recognized for all temporary differences:

- except when the deferred tax liability arises from the initial recognition of a goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and that, on the transaction date, does not affect either the accounting profit or the taxable profit or loss; and
- for the taxable temporary differences linked to interest in subsidiaries, in associates and in joint ventures, except if the date on which the temporary difference is inversed can be checked and it is probable that the temporary difference will not be inversed in the foreseeable future. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the tax assets and liabilities due and if these deferred taxes concern the same taxable entity and the same tax authority.

2.34. Derivative financial instruments

EVS uses derivative financial instruments such as forward exchange rate contracts to hedge its risks of foreign currency fluctuations on its foreign currency transactions. Such derivative financial instruments are stated at fair value as these contracts are not deemed to be hedging contracts within the meaning of the IFRS.
The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

2.35. Dividends

The dividends proposed by the Board of Directors are not recognized in the financial statements as long as they have not been approved by the shareholders during the Ordinary Annual General Meeting. In case of interim dividends, they are deducted from the reserves.

2.36. Commitments relating to technical guarantee in respect of sales or services already provided

EVS grants a 2-year technical guarantee on products sold subject to the general conditions of sale. In order to hedge that risk, EVS has recorded on the balance sheet a provision to cover the probable costs on 2 years relating to these technical guarantees.

2.37. Earnings per share

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. 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.

3. SEGMENT INFORMATION

3.1. 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. The Chief Operating Decision Maker, being the Executive Committee, reviews the operating results and operating plans, and makes resource allocation decisions on a company-wide basis. Sales relate to products of the same nature (digital broadcast production equipment) and are realized by commercial polyvalent teams. The company's internal reporting is the reflection of the above mentioned operational organization (which is primarily the translation of a new marketing approach), and is characterized by the strong integration of the activities of the company; only sales are identified following three dimensions: by geographical region, by market and by nature. EVS operates as one segment.

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 following the development of the company, its products and its internal performance indicators.

The company provides only one type of solution: solutions based on tapeless workflows with a consistent modular architecture. This is the product of EVS. There are no other significant classes of business, either singularly or in aggregate. Indeed, identical modules can meet the needs of different markets, such as Sports, Entertainment, News and Media. Our customers themselves are often multi-markets. Providing information for each module is therefore not relevant for EVS.

At the level of the geographical information, the activities are divided into the following regions: Asia-Pacific ("APAC"), Europe, Middle East and Africa ("EMEA"), and America ("NALA" or "Americas"). This division follows the organization of the commercial and support services within the group, which operates worldwide. A fourth region is dedicated to the worldwide events ("Big sporting events").

The company provides additional information with a presentation of the revenue by destination: "Sports", "ENM" (Entertainment, News & Media) and "Big sporting event rentals" for rental contracts relating to the Big Sporting Events of the even years. From 2015, the company will change this and give information for "Outside Broadcast Vans", "Studios and others" and "Big sporting event rentals".

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

3.2. Additional information

3.2.1. Information on sales by destination

Revenue can be presented by destination: Sports, ENM (Entertainment, News and Media) and big sporting event rentals. Maintenance and after sale service are included in the complete solution proposed to the clients.

Revenue (EUR thousands)	2014	2013	% 2014/2013
Sports	81,874	87,631	-6.6%
Entertainment, News & Media (ENM)	35,184	40,920	-14.0%
Big events rental revenue	14,345	540	N/A
Total	**131,403**	**129,091**	**+1.8%**

3.2.2. Information on sales by region

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

3.2.2.1. Revenue

Revenue for 12 months (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event Rentals	TOTAL
2014 revenue	21,338	62,803	32,917	14,345	131,403
Evolution versus FY13 (%)	-41.5%	+0.1%	+12.3%	N/A	+1.8%
Variation versus FY13 (%) at constant currency	-41.5%	+0.1%	+12.3%	N/A	+1.8%
2013 revenue	36,464	62,769	29,318	540	129,091

Sales realized in Belgium (the country of origin of the company) with external clients represent less than 5% of the total sales in the period. 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 (Americas, EUR 26.9 million in the last 12 months) and the UK (EMEA, EUR 14.0 million in the last 12 months).

3.2.2.2. Long-term assets
Considering the explanations given in 3.1, more than 95% of all long term assets are located in the parent company EVS Broadcast Equipment SA in Belgium.

3.2.3. Information on products and services

Revenue can be presented by nature: systems and services.

Revenue (EUR thousands)	2014	2013	% 2014/2013
Systems	122,378	121,290	+0.9%
Services	8,975	7,800	+15.3%
Total Revenue	**131,403**	**129,091**	**+1.8%**

Services include advices, installations, project management, training, maintenance, distant support that are literally included in the invoices.

3.2.4. Information on important clients

No external client of the company represents more than 10% of the 2014 sales.

4. CONSOLIDATED COMPANIES, JOINT VENTURES, ASSOCIATES AND REPRESENTATIVE OFFICES

4.1. Companies list

NAME AND ADDRESS	Year of foundation or acquisition	Staff as of 31.12.14	Incorporation method used (1)	Part of capital held as of 31.12.13 (in %) (2)	Part of capital held as of 31.12.14 (in %) (2)	Change in % of capital held
EVS Broadcast Equipment Inc. 9 Law Drive, suite 200, NJ 070046 Fairfield, USA	1997	23	F	100.00	100.00	0.00
EVS Canada 1200 Avenue Papineau, Office #240, Montreal QC H2K 4R5, CANADA	2008	1	F	100.00	100.00	0.00
EVS Broadcast México, SA de C.V. World Trade Center, Cd. De México, Montecito N° 38, Piso 23, Oficina 38, Col. Nápoles, Delegación Benito Juárez, D.F. 03810 México, MEXICO RFC: EBM 1106152TA	2011	3	F	99.00	100.00	1.00
EVS France SA Avenue André Morizet, 6bis F-92100 Boulogne-Billancourt, FRANCE VAT: FR-21419961503	1998	7	F	100.00	100.00	0.00
EVS France Développement SARL Avenue André Morizet, 6bis F-92100 Boulogne-Billancourt, FRANCE VAT: FR-53514021476	2009	5	F	100.00	100.00	0.00
EVS Toulouse SAS 6, rue Brindejonc des Moulinais, Bât. A, F-31500 Toulouse Cedex 5, FRANCE VAT: FR-83449601749	2010	25	F	100.00	100.00	0.00
EVS Italia S.R.L. Via Milano 2, IT-25126 Brescia, ITALY VAT: IT-03482350174	1999	3	F	95.00	95.00	0.00
EVS Broadcast UK Ltd. Ashcombe House, The Crescent 5, Leatherhead, Surrey KT22 8DY, ROYAUME-UNI VAT: UK-853278896	1999	16	F	100.00	100.00	0.00
EVS Broadcast Equipment Iberica SL Avda de Europa 12-2C, Edificio Monaco, Parque Empresarial la Moraleja 28109 Alcobendas, Madrid, SPAIN VAT: B85200236	2007	5	F	100.00	100.00	0.00
EVS Nederland BV Solebaystraat 97 HS 1055 ZP Amsterdam THE NETEHERLANDS	2008	3	F	100.00	100.00	0.00
EVS Deutschland GmbH Feringastrasse 10/12 85774 Unterföhring (Munich), GERMANY VAT: DE-266077264	2009	6	F	100.00	100.00	0.00
EVS International (Swiss) SARL Rue des Arsenaux 9, 1700 Friburg, SWITZERLAND VAT: CH-21735425482	2009	1	F	100.00	100.00	0.00

EVS Broadcast Equipment Ltd. Room A, @Convoy, 169 Electric Road, North Point, HONG-KONG	2002	15	F	100.00	100.00	0.00
EVS Pékin - Representative office 2805 Building One, Wanda Plaza, N°93 Jianguo Road, 100026 Beijing, CHINA	2005	6	F	N/A	N/A	N/A
Network and Broadcast Systems Limited (NBS) Incubation Park, Office 401, Building 8, Tianfu Avenue 1480, Hi-Tech Zone, Chengdu, CHINA	2010	33	F	100.00	100.00	0.00
EVS Broadcast Equipment Middle East Ltd - Representative office Shatha Tower, Office 09, 32nd Floor, Dubai Media City, Dubai, UNITED ARAB EMIRATED	2006	4	F	N/A	N/A	N/A
EVS Americas Los Angeles – Representative office 101 South First Street, Suite #404 Burbank, CA 91504, USA	2006	6	F	N/A	N/A	N/A
EVS Australia Pty Ltd. Suite 901, Level 9, 130 Elisabeth Street Sydney NSW 2001, AUSTRALIA	2007	2	F	100.00	100.00	0.00
MECALEC SMD SA Rue Nicolas Fossoul 54, B-4100 Seraing, BELGIUM National registered number: BE0467 121 712	1999	26	E	49.50	49.50	0.00
dcinex SA Pôle Image de Liège Rue de Mulhouse 36, B-4020 Liège, BELGIUM N° d'entreprise: BE0865 818 337	2004	N/A	E	41.30	0.00	-41.30
DYVI Live SA Avenue Charles Quint/Keizer Karellaan, 576 1082 Brussels, BELGIUM National registered number: BE0573 225 986	2013	2	F	95.00	100.00	5.00
Scalable Video Systems GmbH Brunnenweg 9, 64331 Weiterstadt, GERMANY VAT: DE-289 460 223	2013	15	F	25.10	100.00	74.90

(1) F: Full Consolidation, E: Equity method.
(2) Proportion of capital of those companies held by the companies included in the consolidated accounts and persons acting in their own name on behalf of these companies.

4.2. Business combination

In May 2013, EVS acquired a minority stake (25.1% of the voting shares) in SVS GmbH, a private company based in Germany ("SVS") whose principal activity is the research and development of network-based technology. Notwithstanding that EVS only held 25.1% of the shares outstanding, the Group considered to have the control of SVS because it had the power on the business decisions and it controlled totally the outflow of the company.

In December 2014, EVS acquired:

- the remaining 74,9% it didn't own in SVS, for an amount of EUR 1.0 million paid in cash, and a possible future earn out based on the performance over the 2015-2020 period;
- the remaining 5% it didn't own in DYVI Live SA for a global amount of EUR 0.1 million.

In 2014, these two entities have contributed EUR 0.1 million to EVS revenues, EUR – 2.9 million to EBIT and EUR – 1.6 million to net group profit, including non-controlling interest. At December 31, 2014, goodwill amounted to EUR 1.1 million and has not changed after the acquisition of the remaining shares due to the fact EVS has already the global effective control with the first acquisition of the minority share in 2013.

On the EVS balance sheet, an amount of EUR 2.2 million has been booked in "other long term debts" recognized through the equity of EVS, to reflect the best current estimate of the future earn out at the acquisition date. The liability will be reassessed to fair value based on the business plan evolution at each reporting date until the contingency is resolved. The future changes in estimated fair value will be recognized in the income statement.

The best estimate of the future "earnout" was calculated taking into account the probabilities of 3 possible scenarios on the evolution of future business plan related to the sale of products developed by SVS. The debt of EUR 2.2 million corresponds to the estimated discounted future payments based on the operating income associated with this activity, according to the probabilities of the scenarios. The discount rate used amounted to 8.93% (weighted average cost of capital - WACC). Any amounts payable will be allocated between 2016 and 2021 with a conventional maximum amount of EUR 8 million.

In the change in equity for business combination, an amount of EUR 4.0 million has been recognized to reflect the acquisition of the remaining 5% in DYVI (EUR 0.1 million) and the acquisition of the remaining 74.9% in SVS (EUR 3.9 million). In terms of cash impact, EVS has paid EUR 1.0 million in December 2014.

5. INVESTMENT IN JOINT-VENTURES AND ASSOCIATES

(EUR thousands)	2014	2013
Investment in associates		
Opening balance as at January 1	**8,480**	**7,717**
- Disposals during the year	-7,745	-
- Acquisitions during the year		-
- Results	-122	191
- Others	223	572
Closing balance as at December 31	**836**	**8,480**

5.1. Investments in associates

5.1.1. MECALEC SMD SA

MECALEC SMD SA was founded on October 21, 1999 by SA MECALEC (50.5%, not directly or indirectly linked to EVS) and EVS (49.5%). Its subscribed capital is EUR 200 thousand and, therefore, the share of EVS in this company amounts to EUR 99 thousand. This company's main activity is the manufacturing and the assembly of electronic boards, using SMD technology. The registered office is based in Boncelles, close to Liège (Belgium), 5 km from EVS. EVS acquired this interest in order to benefit from shorter delivery times on orders for the assembly of electronic boards. There can be some synergies in R&D and reworking of the production process. In 2014, the net profit of MECALEC SMD amounted to EUR 255 thousand compared to the net profit of EUR 200 thousand in 2013. EVS represented 20% of MECALEC SMD's turnover in 2014.

The share of EVS in the 2014 results of MECALEC SMD amounts to EUR 126 thousand and the share of EVS in MECALEC SMD equity amounts to EUR 836 thousand.

(EUR thousands)	Dec. 31, 2014	Dec. 31, 2013
Share of associate's balance sheet (49.5%)		
Current assets	980	844
Non-current assets	64	61
Current liabilities	-208	-171
Non-current liabilities		
Net assets	**836**	**734**
Share of associate's revenue and net result (49.5%)		
Revenue	1,331	1,172
Net result	126	99
Carrying amount of investment	**836**	**734**

5.1.2. dcinex SA

Created in 2004, notably through the spin-out of "Digital Cinema" activities from EVS, dcinex SA (formerly XDC SA) has been a pioneer in the development of digital solutions for the cinema. dcinex offers services with a high added value to the film industry and to directors.

In 2014, EVS has sold its 41.3% stake in dcinex to Ymagis SA. Until the closing of the transaction, on October 20, 2014, dcinex was accounted using equity method in EVS consolidated accounts with a negative contribution of EUR -0.2 million.

The dcinex accounts and their contribution to consolidated EVS accounts is as follows:

(EUR thousands)	2014 (up to October 20, 2014)	2013 (12 months)
Turnover	65,856	92,294
EBITDA	25,599	31,363
Net result over the period	**-601**	**224**
Part of capital held in dcinex	41.3%	41.3%
Net result – part of EVS	**-248**	**93**

On October 20, 2014, the value of dcinex in the EVS consolidated accounts was EUR 7.3 million. In addition to this, there were also EUR 1.3 million subordinated loans on the EVS balance sheet.

According to the agreement, the transaction has been valued in the EVS accounts at a total of EUR 9.9 million, including:

- EUR 1.6 million in cash (EUR 2.1 million less EUR 0.5 million for all fees and costs associated with the transaction)
- EUR 2.0 million in Ymagis shares (288,851 shares, sold on November 28 at EUR 6.89 per share)
- EUR 6.4 million in Ymagis bonds (OBSA), which have a maximum maturity of 5 years. These bonds are associated with warrants.

At the closing of the transaction, EVS reversed adjustments relating to dcinex that were booked directly in the equity of EVS (as required by IFRS) over the last few years until the disposal date for an amount of EUR 0.6 million. This resulted in a net capital gain of EUR 2.0 million in the EVS consolidated income statement.

On the EVS balance sheet, the Ymagis bonds are classified in the non-current assets. Bonds are evaluated at fair value, which is their book value given the probable early repayment in 2015 (see also subsequent events). There is still an amount of EUR 151,100 subordinated loans to be repaid by dcinex.

On the cash flow statement, the transaction is reflected in the cash flows from investing activities, with EUR 4.6 million proceeds (EUR 1.6 million cash, EUR 1.1 million subordinated bond repaid by dcinex and EUR 2.0 million from the sale of the Ymagis shares) booked under “disposal of other financial assets”.

6. INCOME AND EXPENSES

6.1. Financial revenues/(costs)

(EUR thousands)	2014	2013
Interest charges	-331	-265
Interest income on deposit	196	213
Exchange result	1,019	224
Impairment on Tax shelter investments	-	-6
Other financial results	2,085	-65
Other operating income/(expenses)	**2,969**	**101**

“Other financial results” include the capital gain of EUR 2.0 million on the dcinex disposal (see also note 5).
To limit its exposure to the US dollar, the EVS Group has an active policy to cover the foreign exchange risk, as explained in notes 27 and 28.

6.2. 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 annual report, the non-GAAP measures are reconciled with financial measures determined in accordance with IFRS.

The link between the net result of the fiscal period and the current net result excluding dcinex appears as follows:

(EUR thousands)	2014	2013
Net profit for the period (attributable to the group) – IFRS	35,537	34,030
Allocation to Employees Profit Sharing Plan	466	755
Stock Option Plan	534	483
Amortization and impairment on acquired technology and IP	364	725
Impairment on Tax Shelter rights assets	-	6
Contribution of dcinex	248	-93
dcinex disposal	-1.977	-
Net profit from operations, excl. dcinex	**35,173**	**35,907**

6.3. Complementary information about operating charges by nature

(EUR thousands)	2014	2013
Raw materials and consumables used	-17,912	-18,144
Increase (+)/decrease (-) in stocks of finished goods, work and contracts in progress	814	2,026
Personnel expenses	-36,973	-34,983
- Remunerations and salaries	-26,305	-24,962
- Social security costs	-6,733	-6,020
- ESOP expenses	-1,000	-1,238
- Pension defined contributions plan	-1,021	-772
- Other personnel expenses	-1,914	-1,991
Average number of employees in FTE	503	471
Depreciations	-2,599	-3,684
- of which the ones included in the costs of sales	-515	-380
Increase (-)/decrease (+) in amounts written off	-3,163	-2,271
- Increase (-)/decrease (+) in amounts written off on stocks	-2,604	-2,130
- Increase (-)/decrease (+) in amounts written off on trade debtors	-559	-141
Operating lease and sublease payments recognized in the income statement (vehicles)	-2,088	-1,844

6.3.1. Complementary information about pension defined contribution plans

Defined contribution plans are those for which the company pays fixed contributions into a separate entity with the provisions of the plan. Once these contributions have been paid, the company has no further obligation.

Since April 1, 2002, EVS has put in place a pension plan (defined contribution plan) under the pension plan rules defined for employees from the metal manufacturing industry (“Commission Paritaire 209”). It means the payment of an annual contribution equal to a percentage of the gross salary (subject to Social Security contributions) for each employee. This contribution is paid by the employer. The contribution rate is set by the rules in this sector. They were as follows:

In %	**Contribution rate**
2002 à 2006	0.50%
2007	1.00%
2008 à 2010	1.10%
2011	1.77%
2012	1.87%
2013	1.97%
2014	1.97%

The plan is managed by l’Intégrale. The financing policy is outlined in its annual report.

In addition, since, January 1, 2012, employees of EVS in Belgium are automatically affiliated to a second pension plan subscribed with AG Insurance. EVS contributes in this plan (including management fee, life insurance, disability, and risk waiver insurance premiums) at a rate of 3.5% of gross annual salary.

The contributions related to these defined contribution plans, and recorded in personnel expense, amounted to EUR 1.0 million in 2014 and EUR 772 thousand in 2013. To date no payment of benefits has occurred, since no employee of EVS is retired.

It should be noted that the "Intégrale" and the AG pension fund insurances, which manage the defined contribution pension plans, also guarantee the performance of the payments made by the employer and the employee as follows: 3.25% until December 31, 2012, and 2.25% since January 1, 2013. As the minimum legal rate (cfr. Law of April 28, 2003) was still 3.25% in 2014, it should be noted that, if the return made by these insurance companies falls below the minimum return required by law, EVS should support the underfinancing. As of December 31, 2014, this risk has been evaluated as insignificant for EVS (AG Insurance guarantees a rate of 3.25% until 2016).

7. INCOME TAXES

7.1. Tax charge on results

The tax charge for 2013 and 2014 is mainly made of:

(EUR thousands)	**2014**	**2013**
Current tax charge		
Effective tax charge	-14,635	-15,323
Adjustments of current tax related to prior years	-	54
Deferred taxes		
Tax effects of temporary differences	-40	-76
- Adjustments for fixed assets depreciation method	-56	-72
- Adjustment due to the activation of borrowing costs for the new building	-99	-
- Direct and indirect production costs capitalized in inventories	115	-4
Income taxes included in the income statement	**-14,675**	**-15,345**

7.2. 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 2013 and 2014 with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	2014	2013
Reconciliation between the effective tax rate and the theoretical tax rate		
Profit before taxes and share in the result of the enterprise accounted for using the equity method	49,055	48,504
Effective tax charge based on the effective tax rate	-14,675	-15,345
Effective tax rate	**29.9%**	**31.6%**
Reconciliation items for the theoretical tax charge		
Tax effect of tax-exempt income on dcinex disposal	-672	-
Tax effect of Tax Shelter	-	-51
Tax effect of deduction for notional interest	-170	-204
Tax effect of non-deductible expenditures	343	520
Other increase/(decrease)	163	529
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-15,011	-14,551
Theoretical tax rate (relating to EVS operations, excl. dcinex)	**30.6%**	**30.0%**

7.3. Deferred taxes on the balance sheet

The sources of deferred taxes are as follows:

(EUR thousands)	December 31, 2014		December 31, 2013	
	Assets	**Liabilities**	-	**Liabilities**
Indirect production costs capitalized in inventories	-	195	-	352
Buildings revaluation	-	1,162	-	1,106
Activation of the costs relating to the construction of the new headquarter	-	101		3
Provisions for risks and charges	-	169		
Write-offs on trade receivables	-	-	169	-
Depreciation on investments in R&D	-	-	**249**	-
Total	**-**	**1,627**	**418**	**1,461**
Net booked value	**-**	**1,627**	-	**1,043**

Deferred taxes are booked “net” in accordance with the valuation rules of the group.

8. EARNING PER SHARE

The basic earnings per share are calculated by dividing the net profit and loss of the period attributable to the ordinary shares, less the treasury shares, by the weighted average number of ordinary shares in circulation during the year.

The diluted earnings per share are calculated by dividing the net result of the period attributable to the ordinary shareholders by the weighted average number of ordinary shares in circulation at the rate of the period, adjusted by the diluting effects of the share options (warrants).

(EUR thousands)	2014	2013
Net profit	34,259	33,349
- attributable to non-controlling interests	-1,279	-681
- attributable to equity holders of the parent company	**35,537**	**34,030**

	2014	2013
Weighted average number of subscribed shares, excluding treasury shares	13,513,053	13,480,715
Dilution effect of the weighted average number of the share options in circulation	381,515	323,352
Weighted average number of fully diluted number of shares	**13,894,568**	**13,804,067**
Basic earnings per share (EUR)	**2.63**	**2.52**
Diluted earnings per share (EUR)	**2.56**	**2.47**

The number of treasury shares held as at December 31, 2014 amounted to 140,498 compared to 133,364 as at December 31, 2013. The weighted average number of treasury shares held in 2014 amounted to 111,947 against 144,285 in 2013.

9. DIVIDENDS PAID AND PROPOSED

Dividends are paid for issued shares less treasury shares at the payment date.

(EUR thousands, gross amount)	Coupon #	Declaration date	2014	2013
Paid during the year :				
- Final dividend for 2012 (EUR 1.48 per share excl. treasury shares)	16	May 2013	-	19,952
- Interim dividend for 2013 (EUR 1.16 per share excl. treasury shares)	17	Nov. 2013	-	15,650
- Final dividend for 2013 (EUR 1.00 per share excl. treasury shares)	18	May 2014	13,547	-
- Interim dividend for 2014 (EUR 1.00 per share excl. treasury shares)	19	Nov. 2014	13,485	-
Total paid dividends			**27,032**	**35,602**

(EUR thousands)	2014	2013
Proposed for approval at the OGM :		
- Total dividend for 2013 (EUR 2.16 per share incl. interim dividend)	-	29,275
- Proposed dividend for 2014 (EUR 2.00 per share incl. interim dividend)	26,969	-
Total	**26,969**	**29,275**

As from coupon #13, only the dematerialized shares are valid.

10. GOODWILL

(EUR thousands)	TOTAL
Acquisition cost	
As of December 31, 2013	**1,945**
- Acquisitions	-
- Sales and disposals	-
As of December 31, 2014	**1,945**
Accumulated impairment	
As of December 31, 2013	**552**
- Impairment	268
- Sales and disposals	-
As of December 31, 2014	**820**
Net carrying amount	
As of December 31, 2013	**1,393**
As of December 31, 2014	**1,125**

Goodwill is the difference between the cost of an acquisition and the share of the acquirer’s interest in the net fair value of the identifiable assets, certain liabilities and eventual liabilities. The goodwill is not depreciated but is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, in accordance with IAS 36. The intangible asset is recognized at cost. It is depreciated on a straight-line basis over the duration of its economic utility estimated at 4 years and is reviewed for impairment testing each time there is a sign of impairment in this intangible asset.

10.1. OpenCube Technologies (renamed as EVS Toulouse)

OpenCube Technologies is consolidated at 100% in the accounts of EVS Broadcast Equipment SA since April 1, 2010. As a result of the acquisition, EUR 0.8 million had been recorded as goodwill and EUR 1.5 million as intangible asset for acquired Technology & IP. The acquisition value was EUR 2.7 million.

The assets and liabilities arising from the acquisition of OpenCube Technologies were as follows:

(EUR thousands)	April 1, 2010
Goodwill	820
Acquired technology & IP	1,532
Other non-current assets	141
Current assets	898
Liabilities	-739
Net assets acquired	**2,652**

Goodwill is equal to the excess profit calculated by the difference between the effective (historical) return and the expected market return for such investment.

As foreseen by IFRS rules, an impairment test of the goodwill is done annually, during the fourth quarter. In 2014, that test did reveal the necessity to record a not significant write-off of EUR 0.3 million, as the effective return was below the expected market return for such an investment as of December 31, 2014, which results in a residual value of the goodwill of zero at the same date. Indeed, the activities of EVS Toulouse within the group have been changed to become a development center.

10.2. DYVI Live / SVS

In May 2013, EVS acquired a minority stake (25.1% of the voting shares) in SVS GmbH, a private company based in Germany ("SVS") whose principal activity is the research and development of network-based technology. The principal reason for this investment is to give EVS access to this promising technology. Later in 2013, EVS set up DYVI Live SA (95% owned by EVS), acting as exclusive distributor for the SVS products.

Global integration of SVS: notwithstanding that EVS only hold 25.1% of the shares outstanding as at December 31, 2013, the Group already considered to have the control of SVS because it had the power on the business decisions and it controlled totally the outflow of the company through the exclusive distribution agreement between a new fully owned subsidiary (DYVI LIVE) and SVS. Moreover, EVS financed the future expenses occurring for the SVS development. Consequently, SVS was fully consolidated as at December 31, 2013 and non-controlling interests were accounted for (74.9%).

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill were as follows (at the date of the acquisition of 25.1%):

(EUR thousands)	**Fair value**
Intangible assets	185
Cash	800
Receivables	700
Payables	-185
Total net assets	*** 1,500**
EVS share	25.1%
Total net assets attributable to EVS	**375**
Fair value of consideration paid	
Cash	-1,500
Total consideration	**-1,500**
Goodwill	**1,125**

* including the amount that EVS committed to convert in equity during the next years.

In December 2014, EVS acquired:

- the remaining 74,9% it didn't own in SVS, for an amount of EUR 1.0 million paid in cash, and a possible future earn out based on the performance over the 2015-2020 period
- the remaining 5% it didn't own in DYVI Live SA for a global amount of EUR 0.1 million.

SVS and DYVI Live employed 17 FTE at the end of 2014.

In 2014, these two entities have contributed EUR 0.1 million to EVS revenues, EUR -2.9 million to EBIT and EUR -1.6 million to net group profit, including non-controlling interest. At December 31, 2014, goodwill amounted to EUR 1.1 million and has not changed after the acquisition of the remaining shares due to the fact EVS has already the global effective control with the first acquisition of the minority share in 2013.

The main factors leading to the recognition of goodwill were:

- The presence of certain intangible assets, such as the knowhow of the staff acquired, which do not qualify for separate recognition;
- Expected synergies and other benefits from combining the assets and activities of SVS with those of the group.

Goodwill has been subject to an impairment test that didn't reveal the necessity to act a write-off on December 31, 2014. It is clear that goodwill has to be evaluated on the basis of the evolution of the business plan relating to the revenues generated by the products developed by SVS, and, as a consequence, is linked with the annual evolution of the long term debt /earnout (details of the valuation model are presented in note 4.2 relating to business combination).

11. INTANGIBLE ASSETS

(EUR thousands)	Technology (DWESAB and OpenCube)	Software licenses	TOTAL
Acquisition cost			
As of December 31, 2012	**2,581**	**1,651**	**4,232**
- Acquisitions	-	239	239
- Sales and disposals	-	-34	-34
- Transfers	-	46	46
- Variation in consolidation scope	-	185	185
As of December 31, 2013	**2,581**	**2,087**	**4,668**
Accumulated depreciation			
As of December 31, 2012	**-2,101**	**-1,117**	**-3,219**
- Depreciations	-384	-374	-758
- Sales and disposals	-	34	34
- Transfers	-	-	-
- Variation in consolidation scope	-	-	-
As of December 31, 2013	**-2,486**	**-1,457**	**-3,943**
Net carrying amount			
As of December 31, 2012	**479**	**534**	**1,013**
As of December 31, 2013	**96**	**630**	**726**

(EUR thousands)	Technology (DWESAB and OpenCube)	Software licenses	TOTAL
Acquisition cost			
As of December 31, 2013	**2,581**	**2,087**	**4,668**
- Acquisitions	-	206	206
- Sales and disposals	-	-34	-34
- Transfers	-	-	-
- Variation in consolidation scope	-	82	82
As of December 31, 2014	**2,581**	**2,341**	**4,922**
Accumulated depreciation			
As of December 31, 2013	**-2,486**	**-1,457**	**-3,943**
- Depreciations	-95	-421	-516
- Sales and disposals	-	34	34
- Transfers	-	-	-
- Variation in consolidation scope	-	-82	-82
As of December 31, 2014	**-2,581**	**-1,926**	**-4,507**
Net carrying amount			
As of December 31, 2013	**96**	**630**	**726**
As of December 31, 2014	**-**	**415**	**415**

11.1. Technology

On September 4, 2008, EVS announced the acquisition of 100% of the share capital of D.W.E.S.A.B. Engineering BVBA, small profitable Belgian company that is specialized in service and software R&D for operating workflows, reality-TV and management of TV stations. As a result of the acquisition, EUR 1.0 million has been recorded on the balance sheet of EVS as intangible asset for technology. This intangible asset has been recognized at cost. It is depreciated on a straight-line basis over the duration of its economic utility estimated at 4 years and was fully depreciated at the end of 2012.

As explained in the note 10 relating to goodwill, EVS announced, on April 6, 2010, the acquisition of 100% of the share capital of OpenCube Technologies (France, recently renamed as EVS Toulouse). The OpenCube team included approximately 15 people, mainly development engineers and operational experts. OpenCube Technologies is consolidated at 100% in the accounts of EVS Broadcast Equipment SA since April 1, 2010. As a result of the acquisition, EUR 1.5 million has been booked as intangible asset for acquired technology & IP. It has been depreciated on a straight-line basis over the duration of its economic utility estimated at 4 years and is fully depreciated since March 31, 2014.

Software licenses depreciation (EUR 421 thousands in 2014) are included in the “Amortization and impairment on goodwill, acquired technology and IP” in the consolidated income statement.

11.2. Intellectual property

Certain products developed and marketed by EVS Group, as well as technology used, are covered by patents or licenses. In the future, the company will not hesitate to intensify its patent policy. However, EVS remains convinced that the best protection lies in the continuous technological progress of its equipment. The speed of development in technology and product ranges in the fields in which EVS operates makes any attempt at copying or imitating a fruitless operation. In addition, EVS did register a patent within the European Community or other countries outside Europe for some key brand names.

12. TANGIBLE ASSETS

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Assets under construction	TOTAL
Acquisition cost					
As of December 31, 2012	**15,212**	**1,488**	**7,936**	**10,234**	**34,870**
- Acquisitions	151	326	602	14,081	15,160
- Sales and disposals		-42		-13	-55
- Variation in consolidation scope					
- Transfers	178			-224	-46
- Others					
As of December 31, 2013	**15,541**	**1,772**	**8,538**	**24,078**	**49,929**
Accumulated depreciation					
As of December 31, 2012	**-6,185**	**-1,209**	**-6,369**	**-**	**-13,763**
- Depreciations	-1,579	-208	-724		-2,511
- Sales and disposals		42			42
- Variation in consolidation scope					
- Other					
As of December 31, 2013	**-7,764**	**-1,375**	**-7,093**	**-**	**-16,232**
Net carrying amount					
As of December 31, 2012	**9,027**	**279**	**1,567**	**10,234**	**21,107**
As of December 31, 2013	**7,777**	**379**	**1,445**	**24,078**	**33,697**
Mortgages and other guarantees					
Net carrying amount of fixed assets given as real guarantees	**-**	**-**	**-**	**24,070**	**24,070**

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Assets under construction	TOTAL
Acquisition cost					
As of December 31, 2013	**15,541**	**1,772**	**8,538**	**24,078**	**49,929**
- Acquisitions	138	301	665	21,414	22,518
- Sales and disposals		-42	-66		-108
- Variation in consolidation scope	6	2	58		66
- Transfers	-14,589		-31		-14,620
- Others	27	3	354		384
As of December 31, 2014	**1,123**	**2,037**	**9,518**	**45,942**	**58,169**
Accumulated depreciation					
As of December 31, 2013	**-7,764**	**-1,375**	**-7,093**	**-**	**-16,232**
- Depreciations	-896	-173	-831		-1,899
- Sales and disposals		42	43		85
- Variation in consolidation scope	-6	-2	-58		-66
- Transfers	8,155		20		8,175
- Other	-16	-1	-292		-309
As of December 31, 2014	**-526**	**-1,509**	**-8,211**		**-10,246**
Net carrying amount					
As of December 31, 2013	**7,777**	**397**	**1,445**	**24,078**	**33,697**
As of December 31, 2014	**597**	**528**	**1,307**	**24,492**	**47,923**
Mortgages and other guarantees					
Net carrying amount of fixed assets given as real guarantees	**-**	**-**	**-**	**45,492**	**45,492**

Following the rapid growth of the Belgian teams spread into six different buildings in the Liège Science Park, EVS started to build a new facility at the end of 2011 near the existing site (to be finished in 2015). The budget is approximately EUR 58.5, from which around EUR 5.6 million of regional and European subsidies must be deducted. Investments for this new building were made since 2011 until the end of 2014 for an amount of EUR 50.8 million in total (excluding subsidies), an amount of EUR 23.0 million in 2014.

Given the planned sale of most of the current buildings, valued at EUR 6.4 million at end of 2014 (recoverable share) an accelerated depreciation has been recorded on the works done on existing buildings since 2010, so that they are fully depreciated at the end of 2014. These buildings have been reclassified as "Assets classified as held for sale".

Production of the equipment manufactured and marketed by EVS does not require important tangible investment, as far as the assembly is partially subcontracted, notably to MECALEC SMD SA. Whenever possible, specialized work is outsourced (i.e. sheet metalwork and manufacturing of integrated circuits).

The group policy is to finance its buildings through equity and through long term loans (see note 21).

13. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses amounted to EUR 25.2 million in 2014 versus EUR 22.8 million in 2013. R&D does not require any considerable investment, since engineers and programmers work directly and mainly on the machines to be sold or on servers for the software development. According to the group's valuation rules, these research costs are not capitalized but recognized as expenses when incurred.

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.

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

(EUR thousands)	**2014**	**2013**
Gross R&D expenses	26,659	24,012
R&D tax credits for current fiscal year	-1,445	-1,254
R&D expenses, net	**25,214**	**22,758**

14. LONG TERM FINANCIAL ASSETS

(EUR thousands)	**Ymagis bonds**	**Subordinated loans**	**Other financial assets**	**TOTAL**
Net carrying amount as of Dec. 31, 2012	**-**	**830**	**178**	**1,008**
- Refunded/converted during the year	-	-	-	-
- Acquired during the year	-	500	74	574
- Result	-	-	-	
- Others	-	-	-	
Net carrying amount on Dec. 31, 2013	**-**	**1,330**	**252**	**1,582**
Net carrying amount as of Dec. 31, 2013	**-**	**1,330**	**252**	**1,582**
- Refunded/converted during the year	-	-1,179	-	-1,179
- Acquired during the year	6,361	-	8	6,369
- Result	-	-	-	-
- Others	-	-	-	-
Net carrying amount on Dec. 31, 2014	**6,361**	**151**	**260**	**6,772**

In relation with the disposal of dcinex, EVS has received part of the payment in Ymagis bonds associated with warrants for the equivalent of EUR 6.4 million (maximum maturity of 5 years).

As explained in the note 5.1.2 relating to the investments in associates, EVS contributed for EUR 0.8 million to the refinancing of dcinex in 2009 and, in January 2013, EVS bought back EUR 0.5 million subordinated loan associated with warrants in dcinex SA from another former minority shareholder of the company. Following the disposal of dcinex by EVS, most of these loans were repaid late 2014. The remaining EUR 151,000 will be reimbursed by dcinex to EVS in 2015.

15. INVENTORIES AND CONSTRUCTION CONTRACTS

15.1. Inventories

(EUR thousands)	**December 31, 2014**	**December 31, 2013**
Raw materials	13,717	12,787
Finished goods	15,160	14,246
Total at cost	**28,877**	**27,033**
Cumulated amounts written off at the beginning of the period	**-10,840**	**-8,739**
Reversal/use of the amounts written off, net	-2,673	-2,101
Cumulated amounts written off at the end of the period	**-13,513**	**-10,840**
Total net carrying amount	**15,365**	**16,193**

Write-offs movements on inventories, which were valued at EUR 2.7 million in 2014 and at EUR 2.1 million in 2013, are accounted as charges in the costs of sales. These write-offs concern technologically obsolete stock items.

15.2. Construction contracts

(EUR thousands)	December 31, 2014	December 31, 2013
Direct and project related incurred costs	2,472	5,704
Noticed profit (+)/loss (-)	1,518	16,739
Value of the orders in progress at the closing date	3,990	22,444
Invoiced advances	4,753	24,615
Gross amounts due by clients for works relating to contracts	1,715	2,897

Invoiced advances for construction contracts amounted to EUR 4.8 million at December 31, 2014, compared to EUR 24.6 million at the end of 2013. Revenues relating to work in progress during 2014 amounted to EUR 4.0 million (EUR 22.4 million in 2013). The difference between these two amounts, EUR 0.8 million, is booked as a liability, in the advances received.

16. TRADE AND OTHER RECEIVABLES

(EUR thousands)	December 31, 2014	December 31, 2013
Trade receivables	26,783	30,173
Finance lease receivables	3,025	430
Amounts receivable linked to joint ventures	-	-
Other related parties	15	8
Write offs on receivables	-1,613	-1,076
Net trade receivables	*28,210*	*29,535*
Other amounts receivable	3,734	3,060
Deferred charges and accrued income	1,752	2,510
Total	**33,696**	**35,105**

Trade receivables are non-interest bearing and are generally on 75-day terms. According to the group terms and conditions, the unpaid invoices at their term result in a 0.75% monthly interest rate.

As mentioned in the note 3, no customer represented in 2014 more than 10% of total revenue.

For receivables overdue with more than 90 days, the group recognizes a portion of these receivables in doubtful accounts based on an estimate from past experience of default of payment of the customer and its financial situation.

As of December 31, 2014, an amount of EUR 2.5 million (EUR 2.8 million at December 31, 2013) were overdue with more than 90 days, without being subject to write-offs as there was no change in the credit quality of the customers and as the amounts are still considered as recoverable.

As of December 31, 2014, an amount of EUR 1.4 million (EUR 1.6 million on 31/12/2013) within trade receivables was overdue with more than 90 days and the subject of partial write-downs. Movements of write-offs in 2013 and 2014 are as follows:

(EUR thousands)	2014	2013
Write-offs on trade receivables		
Value as of January 1	**1,076**	**849**
- Write-offs during the year	835	414
- Releases of write-offs during the year		-
- Amounts paid down during the year	-253	-187
- Other	-45	-
Value as of December 31	**1,613**	**1,076**

16.1. Finance lease receivables

(EUR thousands)	2014	2013
Gross receivable – future lease payments under finance lease		
Within one year (current finance lease)	1,345	193
After one year but no longer than five years (non-current finance lease)	1,680	237
Longer than five years (non-current finance lease)		
Less: unearned finance income	-212	-32
Present value of future lease payments		
Within one year (current finance lease)	1,236	175
After one year but no longer than five years (non-current finance lease)	1,577	223
Longer than five years (non-current finance lease)		

The group enters into finance leasing arrangements for some of its equipment. The term of finance leases entered into is maximum four years.

The value of the conditional purchase options of the assets leased under finance leases is estimated at EUR 0.1 million.

The interest rate inherent in the finance leases is fixed at the contract date for all of the lease term. The weighted average interest rate on finance lease receivables at December 31, 2014 is 4%.

The financial revenues generated by the finance leases are booked in the interest revenues, as explained in note 6.1.

17. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets relate to hedging options contracted to cover commitments to staff under the Fund Option Plan proposed by ING. These options have an average maturity of one year and are valued at fair value.

18. CASH AND CASH EQUIVALENTS

(EUR thousands)	December 31, 2014	December 31, 2013
Cash at bank and in hand (not remunerated)	3,019	2,806
Short-term deposits and remunerated cash accounts	22,537	7,333
Total	**25,556**	10,139

The short term deposits run from overnight to less than six months periods according to the group’s immediate cash requirements and pay at the different rates of the short term deposits. EVS also receives interests on some of its cash accounts.

19. ASSETS HELD FOR SALE

These assets are the old buildings for sale on the Seraing/Angleur site. On December 31, 2014, these buildings were valued at an amount of EUR 6.4 million, broken down as follows:

(EUR thousands)	December 31,2014
EVS Building I (16 rue Bois Saint-Jean, Seraing)	1,033
EVS Building II (18 rue Bois Saint-Jean, Seraing)	321
EVS Building III (6 avenue Pré Aily, Angleur)	776
EVS Building IV (16 rue Bois Saint-Jean, Seraing)	3,338
EVS Building V (20 rue Bois Saint-Jean, Seraing)	357
EVS Building VI (25 avenue Pré Aily, Angleur)	582
Subtotal recoverable buildings in Seraing/Angleur	*6,407*
EVS modular buildings (16 rue Bois Saint-Jean, Seraing)	38
Total	**6,445**

Given the move to the new building, all other existing buildings on the Seraing/Angleur site have been put up for sale and have been reclassified as "Assets classified as held for sale" on the balance sheet for an amount of EUR 6.4 million. Sales agreements have been signed for two of these buildings. These agreements include suspensory clauses with a deadline in the first half of 2015.

These non-current assets are measured at the lower of their carrying amount and fair value less selling costs. They were subject to an individual evaluation and the global impact of the write-offs recorded in the 2014 income statement is EUR 0.3 million. Sale promises (“compromise de vente”) have been signed in 2014 for EVS Building III and EVS Building VI, for a total amount of EUR 1.4 million.

Investments in these buildings benefited from grants from the Walloon Region and the European Union for a gross amount of EUR 2.1 million. In accordance with the Group's accounting policies, building-related grants have been deducted from the net book value of these assets for a net amount of EUR 0.5 million. Note that all conditions have been met for obtaining the grants received in the past, and the consolidated cash flow statement always shows investment net of subsidies.

20. OWNER'S EQUITY

20.1. Movements in issued capital

The company was founded on February 17, 1994 with a capital of EUR 30,987 consisting of 1,000 shares and has developed as follows:

Date	Description	Number of shares	Capital (EUR)
17.02.94	Constitution	1,000	30,987
25.04.96	Incorporation of reserves	-	90,481
25.04.96	Issuing of 100 shares at EUR 892 per share,	100	12,147
	including a share premium of EUR 771 included in capital		77,095
		1,100	**210,710**
06.06.97	Incorporation of reserves	-	242,440
06.06.97	Issuing of 172 shares, at EUR 4,338 per share,	172	70,855
	including a share premium of EUR 3,926		675,304
		1,272	**1,199,309**
25.09.98	**Stock split by 2,000:1**	**2,544,000**	**1,199,309**
14.10.98	Initial Public Offering	+ 200,000	94,284
	Incorporation of share premium		7,342,522
		2,744,000	**8,636,115**
07.09.99	Issuance of 119,952 shares for exchange with NETIA shareholders	119,952	7,197,120
	Incorporation of reserves		166,765
		2,863,952	**16,000,000**
25.05.03	Treasury shares cancellation	-63,952	-
		2,800,000	**16,000,000**
24.02.04	Capital reimbursement	-	-8,137,521
15.03.04	Issuance of 15,000 shares after the exercise of warrants	15,000	480,000
		2,815,000	**8,342,479**
09.05.05	**Stock split by 5:1**	**14,075,000**	**8,342,479**
19.06.06	Treasury shares cancellation	-200,000	-
12.06.09	Treasury shares cancellation	-250,000	-
Capital on	**December 31, 2014**	**13,625,000**	**8,342,479**

20.2. Issued capital and treasury shares

As of December 31, 2014, the issued capital of EVS amounts to EUR 8,342,479 and is represented by 13,625,000 fully paid up shares without designation of nominal value. EVS complies with the legal requirements relating to the capital (articles 581 to 634 of the "Code des Sociétés").

As of December 31, 2014, 372,050 issued warrants with an average exercise price of EUR 39.85 per share are exercisable between February 2015 and December 2019. The company uses a portion of the capital (average annual dilution of 0.5% since 2001) for staff retention and motivation through a plan of warrants.

The management estimates that the level of capital of EVS is sufficient, as shareholders' equity represents 52.62% of the total balance sheet at the end of 2014.

20.3. Authorized capital

In accordance with the resolution adopted by the Extraordinary General Meetings of November 5, 2014, the Board of Directors is authorized to increase the share capital in one or more installments up to a maximum of EUR 1,600,000, including share premium. This authorization is valid for a duration of 5 years as from the publication of the deliberation of the postponed Extraordinary General Meeting of November 5, 2014. These increases in capital can be realized through cash subscriptions, contributions in kind or incorporation of reserves. Within the limits of this authorization, the Board of Directors will be able to issue bonds convertible into shares or application rights, in observance of the provisions of articles 489 and 496 and in accordance with the "Code des Sociétés" (Company code) and the Board can limit or withdraw the preferential application rights of shareholders, including those in favor of one or more given persons, according to the procedures to be specified by the Board and, if need be, subject to observance of the provisions of articles 595 and in accordance with the "Code des Sociétés".

20.4. Staff incentive program

20.4.1. Warrants scheme

Since December 1999, the company has set up a stock options/warrants scheme for the group's employees and managers. In accordance with the fiscal legislation in force, the scheme has a minimum scope of 3 to 4 years between the granting and effective exercise of a warrant. This warrant distribution policy has been set up in order to gain the loyalty of the members of personnel and to allow them to participate in the results of the company. EVS hedges this program through the buy-back of its treasury shares on the stock market. The Board has the authorization from the Extraordinary General Meeting to proceed to these buy-backs. In view of the 372,050 warrants outstanding at the end of 2014 (420,000 at the end of 2013), the dilution effect represents 2.7% of the share capital, this being partially offset by the 140,498 treasury shares, which represent 1.0% of the number of diluted shares. The voting right and the right to the dividend are suspended during such time as the shares are held by the company. The warrants are granted at an underlying share value corresponding to the average share price of the last 30 days preceding the grant. When the warrants are exercised, the Board of Directors may choose to either issue new shares or to grant treasury shares previously acquired by the company (for this reason, warrants are qualified as "sui generis").

During the Extraordinary General Meetings of September 7, 1999 and May 16, 2000, 400,000 warrants (amount recalculated after the share split in 2004) were issued in favor of the personnel of the EVS Group. The Extraordinary General Meeting of May 21, 2002 issued 350,000 additional warrants, the EGM of June 7, 2010 issued 250,000 warrants, the EGM of December 5, 2011 issued 350,000 warrants, and the EGM of September 24, 2013 issued 25,000 warrants and cancelled 70,000 warrants, in order to bring the total number to 1,305,000. As of December 31, 2014, 1,167,650 of these warrants had been distributed, 626,100 exercised and 169,500 cancelled following departures or repurchased following sales of subsidiaries, which means that 372,050 can be exercised as of December 31, 2014. As a result, 137,350 warrants are still available for distribution by the Board of Directors. The weighted average maturity is November 7, 2016. These warrants may be exercised between now and December 2019. They have an average exercise price of EUR 39.85 per share. In the course of 2014, 99,500 warrants were granted, 110,200 exercised and 37,250 cancelled following the departure of personnel. The Board of Directors determines the grant, withholding and exercise conditions of the warrants, either through issuance of new shares or by allocation of existing shares (warrants are qualified as "sui generis").

The following table illustrates the number and the weighted average price of the period (WAPP) of the warrants in the scheme:

	2014		2013	
	Number	**WAP (EUR)**	**Number**	**WAP (EUR)**
In circulation at the beginning of the period	**420,000**	**38.95**	**440,900**	**38.49**
Granted during the period	99,500	39.94	10,000	54.30
Exercised during the period [1]	-110,200	34.54	-24,450	37.08
Cancelled during the period	-37,250	45.61	-6,450	38.19
In circulation at the end of period	**372,050**	**39.85**	**420,000**	**38.95**

(1) The average share price (closing) during the exercise period in 2014 was EUR 36.95.

The warrants in circulation as of December 31, 2014 and exercisable over the next years are as follows:

Expiry date	**Exercise prices (EUR)**	**Number on December 31, 2014**	**Number on December 31, 2013**
2015	Between 34.52 and 44.97	71,500	177,650
2016	Between 36.77 and 41.90	8,950	13,000
2017	Between 37.11 and 65.66	155,900	165,200
2018	Between 54.30 and 68.77	61,200	67,100
2019	Between 36.81 and 45.71	74,500	-
Total	**Between 34.52 and 68.77**	**372,050**	**420,000**

In accordance with IFRS 2, the warrants are valued on the grant date in order to be charged over the useful life of the warrant. The Black & Scholes model has been used coherently for this valuation, on the basis of volatilities, yield of historical and/or expected dividends. The key parameters in the Black & Scholes model are the volatility of EVS share (calculated in 400 days with Bloomberg, between 20% and 40%, between 2006 and 2013), the interest rate without risk (taken between 0% and 5%) and the dividend return (taken between 2.5% and 7.0%). The economic value (IFRS) of the options according to this calculation method is between 12% and 30% of the underlying share.

20.4.2. Profit sharing plan

In order to thank, develop loyalty and especially encourage the teams of the group and in accordance with the related law, a profit sharing scheme will be proposed the Ordinary General Meeting of May 19, 2015 approved a profit sharing scheme in the form of a grant of EVS Broadcast Equipment SA shares relating to the appropriation of the year 2014. Taking into account tax implications for the company, this grant relates to 37 shares (net of taxes) for all employees hired by the group before January 1, 2015, proportionally to the effective time performance (or assimilated) in 2014.This represented around 10,600 shares in total to maximum 304 group's employees.

The cost relating to the profit sharing plan is included in the "Stock based compensation and ESOP plan" account in the consolidated income statement.

20.5. Treasury shares buy-back

During the Extraordinary General Meeting of November 5, 2014, the authorization to buy back own shares has been modified in Article 10, Paragraph 2, clause 1 of the statutes as follows "According to article 620, section 1, paragraphs 1 to 4 of the Companies Code, the Board of Directors is authorized (…) to to acquire up to 10% of the outstanding shares of the company at a minimum unit price that will not be below 20% the lowest share price of the last 12 months, and at a maximum unit price not higher than 20% above the highest closing stock market price of the company's shares on Euronext Brussels during the 20 trading days preceding such acquisition. Such authorization is granted for a period of 5 years as from the day of the publication in the Appendices of the Official Belgian Gazette of the decision of the Extraordinary General Meeting of November 5, 2014 and extends to the acquisition of shares of the company by its direct subsidiaries, as such subsidiaries are defined by legal provisions on acquisition of shares of the parent company by its subsidiaries."

The Board of Directors pursues this policy of buying back treasury shares in order to cover the employee share-based plan, to benefit from short term weakness in the share price or improve the liquidity of the stock, while showing its confidence in the company's future.

The number of treasury shares held as of December 31, 2014 was 140,498 compared to 133,364 as of December 31, 2013. In 2014, the number of treasury shares moved in number and in weighted average prices (WAP) as follows:

	2014		2013	
	Number	**WAP (EUR)**	**Number**	**WAP (EUR)**
At the beginning of the period	**133,364**	**37.71**	**170,053**	**37.71**
Buy back on the market	127,500	38,25	-	-
Sales on the market	-	-	-	-
Treasury shares cancellation	-	-	-	-
Sales linked to the staff incentive program	-120,366	37.73	-36,689	37.71
At the end of the period	**140,498**	**38.18**	**133,364**	**37.71**

20.6. Reserves

(EUR thousands)	**December 31, 2014**	**December 31, 2013**
Legal reserves	912	887
Non-taxable reserves for Tax Shelter	-	525
Reserves available for distribution	81,573	78,983
Reserves for treasury shares	-4,199	-5,029
Interim dividend	-13,485	-15,650
Reserves	**64,801**	**59,716**

20.6.1. Non-taxable reserves for Tax Shelter

It corresponded, at the end of 2013, to the non-taxable investment and conditional loans made in the framework of the Belgian provision known as "Tax Shelter", i.e. a total amount of EUR 4.8 million (or EUR 3.2 million X 150%) since 2004, net of non-taxable amounts until 2013 (global amount of EUR 4.3 million at the end of 2013; EUR 0 million at the end of 2014).

20.6.2. Reserves for treasury shares

In accordance with the group's evaluation rules, the sums paid or obtained during the acquisition or sale of the company's treasury shares are recognized directly in the shareholders' equity attributable to the company's shareholders. No profit or expense is included in the income statement for the purchase, sale, issue or cancellation of treasury shares.

20.7. Translation differences

In accordance with the group's evaluation rules, for the EVS Inc. subsidiary which operates in USD, at the closing date, the assets and liabilities are converted into the group's reporting currency (EUR) at the exchange rate in force on the reporting date, capital and reserves are converted at historical exchange rate, and the income statement is converted at the average exchange rate of the period. The translation differences resulting from this conversion are directly recognized under a distinct heading of equity.

21. LOANS

(EUR thousands)	December 31, 2014	December 31, 2013
Long-term financial debts		
Bank loans	24,800	8,235
Long-term finance lease obligations	-	-
Other long-term debts	2,151	48
Amount due within 12 months (shown under current liabilities)		
Bank loans	7,107	291
Long-term finance lease obligations	-	-
Other short-term debts	-	-
Total financial debt (short and long-term)	**34,058**	**8,574**
The total financial debt is repayable as follows :		
- within one year	7,107	291
- after one year but no more than five	22,619	8,283
- more than five years	4,332	-

21.1. Credit lines

As of December 31, 2014, the group had been granted by its banks EUR 2.4 million potential credit lines, which can be used either as cash provisions, as short term fixed advances and as guarantees. EUR 0.3 million of these credit lines were used for bank guarantees, mainly for international public tenders, or as security deposit.

21.2. Bank loans relating to buildings

The group's policy is to hold its own buildings and to finance them, through equity or long term loans. The open long term bank loans as of December 31, 2014 have the following details:

(EUR thousands)	Bank	Nominal value	Maturity	Effective interest rate	Remaining balance	Net book value	Guarantee on asset
Bank loans :							
- Buildings I & II	ING	980	2015	Fixed 3.4%	49	1,354	-
- Building IV	ING	2,500	2015	Fixed 4.3%	186	3,338	-
- New headquarter	BEI	12,000	2020	Variable 1.3%	12,000	45,492	27,058
- New headquarter	ING	12,000	2020	Variable 1.3%	12,000	45,492	27,058
- New headquarter	BNP	6,000	2020	Variable 1.3%	6,000	45,492	27,058

On November 14, 2013, EUR 24 million senior debt over 7 years has been secured by the company with 3 major banks (European Investment Bank (50%, through the GFI initiative), ING (25%) and BNPPF (25%)), in order to partially finance its new headquarters and operating facilities in Liège. In May 2014, EVS has signed additional credit facilities amounting to EUR 12 million (50% and 50% ING BNPPF) over 5 years. As of December 31, 2014, EVS has drawn EUR 30.0 million on this credit line. This is a straight loan with usual covenants on liquidity and solvability. Additionally, EVS has granted a pledge ("mandat hypothécaire") on the new building to the banks at the pro-rata of their funding, for a total amount of EUR 27.1 million. The loan is amortizable and may be reimbursed before its final term without any significant penalty.

Conventions for these bank loans contain certain covenants that are monitored by the management of EVS. On December 31, 2014 they were fully met.

22. PROVISIONS

(EUR thousands)	Litigations	Technical warranty	Strategic repositioning	Total
Provisions				
As of January 1, 2014	284	948	21	1,254
Arising during the year	-	-	-	-
Utilized	-	-	-21	-
Reversed	-150	-6	-	-
Others	-	-	-	-
As of December 31, 2014	**135**	**942**	**0**	**1,077**
Current 2013	-	-	21	21
Non-current 2013	284	948	-	1,232
Current 2014	-	-	-	-
Non-current 2014	135	942	-	1,077

The litigation provisions registered in the consolidated accounts mainly correspond to social and commercial disputes whose outcome is still unknown. The amounts allocated to the provisions are measured according to the best knowledge of the management with regard to these disputes and their reasonability has been discussed with the group's lawyers. Due to the nature of these litigations, the Board of Directors prefers not to give any other information on these litigations as it could seriously harm the position of the group in the context of these disputes.

A provision is booked since 2012 to cover two-year technical standard warranties on the equipment sold as from the delivery, as stated in our general terms and conditions. This provision, with an undefined term, has been reevaluated quarterly, based on a historical analysis of the costs incurred over the years to cover two years of costs associated with these warranties. The end 2014 estimate represented an amount of EUR 0.9 million.

23. TRADE AND OTHER PAYABLES

(EUR thousands)	December 31, 2014	December 31, 2013
Trade payables	5,183	5,435
Amounts payable linked	-	-
Other related parties	42	11
Total trade payables	*5,225*	*5,446*
Other payables	2,346	4,864
Accrued charges	2,567	2,018
Deferred income	1,162	1,839
Total	**11,300**	**14,167**

Trade payables are non-interest bearing and are normally settled on 45-day terms.

24. COMMITMENTS AND CONTINGENCIES

24.1. Operating lease commitments

The group holds operating leases on most of the vehicles of its fleet. These leases have an average life time between 3 and 5 years. The expenses relating to the rental part of these leases amounted to EUR 2.1 million in 2014 and EUR 1.8 million in 2013.

Future minimum rentals (excl. VAT) payable under operating leases are as follows as of 31 December:

(EUR thousands)	2014	2013
Within one year	2,110	2,033
After one year but no longer than five years	2,833	3,023
Longer than five years	-	-
Total	**4,943**	**5,056**

In the event of cancellation of the operating leases as at December 31, 2014, a compensation of around EUR 103 thousand should be paid by the group.

24.2. Commitments relating to technical guarantee in respect of sales

Generally, EVS Group grants a 2-year technical guarantee on products sold subject to the general conditions of sale. We should note that, at the end of 2014, a provision of EUR 0.9 million is booked in relation with this warranty, as explained in the note 22.

24.3. Bank guarantees

Bank guarantees amounted to EUR 0.3 million as of December 31, 2014 mainly requested as part of international public tenders, or as security deposit.

24.4. Contractual guarantees

Contractual guarantees were established for the benefit of contracting persons/partners for a maximum potential amount of EUR 2.0 million at December 31, 2014.

24.5. Guarantees on assets

Mandates from mortgage with banks were granted for EUR 27.1 million for the first loan of EUR 24 million (available to partially fund the new headquarters of the group, under construction as explained in note 21.2).

24.6. Other guarantees and contingencies

Sale promises ("compromise de vente") have been signed in 2014 for two of the existing buildings of EVS, for a global amount of EUR 1.4 million.
Another contingency exists but is not currently booked given the low probability of damages for EVS. The Board of Directors prefers then not to give any other information on these litigations as it could seriously harm the position of the group in the context of this case.

25. RELATED PARTY DISCLOSURES

25.1. Affiliates

The consolidated financial statements include the financial statement of EVS Broadcast Equipment SA and the subsidiaries consolidated according to the fully consolidation method listed in note 4. They are representation and distribution subsidiaries for the products developed by EVS.
The table hereunder provides the total amount of transactions which have been entered into with related parties that are not fully consolidated (for information regarding outstanding balances at year end, refer to notes 16 and 23).
Sales to and purchases from related parties are made at normal market prices and under usual commercial conditions.
Outstanding balances at year end are unsecured and settlement occurs in cash.

(EUR thousands)		Sales to related parties	Purchases from related parties	Amounts due by related parties	Amounts owed to related parties
Related parties					
Associates :					
MECALEC SA	2014	-	-552	-	-42
	2013	-	-478	-	-11
dcinex SA	2014	17	-	15	-
	2013	7	-	8	-
Total	**2014**	**17**	**-552**	**15**	**-42**
	2013	**7**	**-478**	**8**	**-11**

25.2. Executives

There were no significant related party transactions in 2014, other than the ones that are mentioned in the remuneration report, on page 14 and following.

26. AUDITOR

In 2014, the fees relating to the function of Auditor of the parent company's auditor, BDO, Réviseurs d'Entreprises S.C.C. (B-00023), and its network, represented by Christophe COLSON amounted to EUR 187,580 in aggregate for its duties as Auditor (EUR 51,023) and also for other duties (EUR 136,557).

In accordance with the option offered by Article 133§6 of the Belgian Code of Companies, the Audit Committee, at its meeting on 14 February 2014, and after analyzing and considering that these benefits are not likely to jeopardize the independence of the auditor, authorized the Auditor to exceed the limit set by the "one-to-one" rule (i.e. the fees related to non-audit services may not exceed the authorized commissioner fees) by the realization of tax assistance services within the group.

27. FINANCIAL RISK MANAGEMENT POLICIES

The group enters into derivative transactions, principally forward currency contract. The purpose is to secure its purchases and its sales in foreign currencies against negative variations of these currencies. Indeed, the group has transactional currency exposures. Such exposure arises from sales or purchases by operating entities in currencies other than the group's functional currency.

The main risk arising from the group's financial instrument is described in note 28.2. The group's principal financial instruments, other than derivatives, comprise bank loans, finance leases and operating leases, cash and short-term deposits. The purpose of these financial instruments is to raise finance for the group's operations.

The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The group's policy is, and has always been, that no trading in financial instruments shall be undertaken.

28. FINANCIAL INSTRUMENTS

28.1. Fair values of the financial instruments

The estimated fair values of the financial assets and liabilities are equal to their fair book value in the balance sheet considering their short maturity.

28.2. Foreign currency risk

Periodically, EVS measures the group's anticipated exposure to transactional exchange risk over six months to one year.
In its current structure, the group's exposure is mainly linked to the EUR/USD risk. The group invoices all clients in Euro, except the United States (in USD), while a lot of operational and fiscal expenses are libeled in USD. As a result, the group is "long" in USD, i.e. all of the group's activities generate globally a positive net cash flow in USD.
On the basis of the forecasts and according to the market conditions, the group hedges up to 50% of the exchange rate risk on estimated net future flows, mainly through forward foreign exchange contracts (in USD).
Foreign exchange contracts are revalued at each closing at their market value. The generated exchange rate profit or loss is recorded in the "Other net financial income/(charges) account in the consolidated income statement.
At the end of December 2014, the group held USD 6.0 million in forward exchange contracts. The conditions of these contracts were as follows:

Sales	Currency	Maturity	Exchange rate	Forward value (EUR)	Impact of the revaluation at the fair value on Dec. 31, 2014 (EUR)
2,000,000	USD	July 21, 2015	1.3572	1,473,622	-173,689
1.000.000	USD	September 17, 2015	1.2983	770,215	-53,441
1,000,000	USD	September 30, 2015	1.2808	780,762	-42,893
2,000,000	USD	December 3, 2015	1,2400	1,612,968	-34,343
6,000,000	**USD**	**September 25, 2015**	**1.2938**	**4,637,567**	**-304,366**

28.3. Credit risk

Credit exposure is controlled and reviewed regularly by the management.

Trade receivables consist of a large number of customers, spread across many geographical areas. The evolution of the credit risk is monitored permanently, as explained in note 16.

The credit risk on financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

In addition, as explained in the note 22.3, the group is exposed to credit risk in relation with bank guarantees. As of December 31, 2014, the maximum amount the group could have to pay if these guarantees are called on is EUR 0.3 million.

29. EVENTS AFTER THE BALANCE SHEET CLOSING DATE

Significant events after the balance sheet date are:

- The information communicated in the 2014 annual results release on February 19, 2015;
- On February 16, 2015, Muriel De Lathouwer, President of EVS Executive Committee (since the departure of Joop Janssen in October 2014), was appointed Managing Director and CEO of the company;
- In March 2015, Ymagis reimbursed anticipatively the bonds associated with warrants (EUR 6.4 million). They also repaid the remaining portion of the subordinated bond (EUR 151,000).

STATUTORY AUDITOR'S REPORT

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF THE COMPANY EVS BROADCAST EQUIPMENT FOR THE YEAR ENDED DECEMBER 31, 2014

As required by law, we report to you on the performance of our mandate of statutory auditor. This report includes our opinion on the consolidated financial statements, as well as the required additional statement. The consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the explanatory note.

Report on the consolidated financial statements – unqualified opinion

We have audited the consolidated financial statements of the company EVS BROADCAST EQUIPMENT for the year ended December 31, 2014, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, which show a consolidated statement of financial position total of 139.707(000) EUR and a consolidated income statement showing a consolidated profit for the year of 34.259(000) EUR.

Responsibility of the board of Directors for the preparation of the consolidated financial statements

The board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards, and for such internal control as the board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA's). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers the company's internal control relevant to the preparation of consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the board of Directors and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of the company EVS BROADCAST EQUIPMENT give a true and fair view of the group's equity and financial position as at December 31, 2014, and of its results and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The board of Directors is responsible for the preparation and the content of the Director's report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which do not modify the scope of our opinion on the consolidated financial statements:

- The Director's report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Liège, April 13, 2015

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

Christophe COLSON
Registered auditor

BELGIAN GAAP PARENT COMPANY FINANCIAL STATEMENTS

These financial statements are related to the figures for the parent company, EVS Broadcast Equipment SA (Belgium). These statements are disclosed according to the short version allowed by Article 105 of the “Code des Sociétés” (company law). They are filed at the “Banque Nationale de Belgique” and are available on request at the company’s head office, but also on the company website www.evs.com. They have been unconditionally attested by BDO, Auditors, represented by Christophe COLSON, Partner.

STATUTORY MANAGEMENT REPORT

As foreseen by the Law, the consolidated management report has been drawn up to also be used as the management report on the parent company’s financial statements. The management report on the parent company’s financial statements is therefore similar to the consolidated management report, except for the following notes:

- The parent company’s financial statements include the figures for the head office in Liege (Belgium): revenue of EUR 117,910 thousand, representing 89.7% of the consolidated amount.

- The profit of the year amounts to EUR 29,224 thousand, i.e. a decrease of EUR 7,512 thousand compared to 2013. The balance sheet total amounts to EUR 124,023 thousand.

- In 2014, EVS Broadcast Ltd. (Hong Kong) paid an interim dividend for 2014 to EVS for a total amount of EUR 6.0 million, and EVS International (Swiss) SARL paid a EUR 1.6 million dividend for 2013.

- In accordance with the article 96 of the Belgian Company, the Audit Committee is composed by independent directors. Amongst them, Christian Raskin (Master in Economic Sciences, 20 years of experience in executive functions at Draka) and Yves Trouveroy (two masters degrees in Law, 15 years of experience in an investment company) have the competencies in accounting and audit.

- No event other than those reported in the consolidated management report has affected the parent company’s financial statements.

BELGIAN GAAP STATUTORY INCOME STATEMENT

(EUR thousands)	2014	2013
Operating income	**105,831**	**105,917**
A. Turnover	117,910	96,919
B. Increase (+)/decrease (-) in stocks of finished goods, work and contracts in progress	-14,000	6,882
C. Other operating income	1,921	2,116
Operating charges	**-71,484**	**-70,868**
A. Raw materials, consumables and goods for resale	-15,475	-17,796
1. Purchases	*-16,468*	*-18,150*
2. Increase (+)/decrease (-) in stocks	*993*	*354*
B. Services and other goods	-27,897	-24,905
C. Remuneration, social security costs and pensions	-22,612	-22,990
D. Depreciation of and other amounts written off on formation expenses, intangible and tangible fixed assets	-2,527	-2,769
E. (+)/(-) in amounts written off on stock and trade debtors	-2,477	-1,783
F. (+)/(-) in provisions for liabilities and charges	-206	166
G. Other operating charges	-290	-792
Operating profit	**34,347**	**35,049**
Financial income	**9,458**	**15,732**
A. Income from financial assets	7,752	14,167
B. Income from current assets	60	68
C. Other financial income	1,646	1,497
Financial charges	**2,106**	**1,580**
A. Interest and other debt charges	-622	-332
B. Write-offs on current assets other than stocks, work in progress and trade receivables (+, -)	-1,165	-6
C. (+)/(-) in amounts written off on current assets	-320	-1,242
Profit on ordinary activities before taxes (+,-)	**41,698**	**49,201**
Extraordinary income	9	455
Extraordinary charges	-648	-448
Result for the period before taxes (+, -)	**41,059**	**49,208**
Transfer from deferred taxation	25	25
Income taxes	-11,861	-12,497
Result for the period (+, -)	**29,224**	**36,736**
Transfers from not taxable reserves		
Transfers to not taxable reserves		
Result for the period available for appropriation (+, -)	**29,224**	**36,736**
Appropriation account		
A. Result to be appropriated	29,224	36,736
B. Transfers from reserves	-	-
C. Transfers to reserves	-1,968	-6,993
D. 1. Dividends	-26,969	-29,275
D. 2. Other equivalents	-288	-468

BELGIAN GAAP STATUTORY BALANCE SHEET

ASSETS (EUR thousands)	31.12.14	31.12.13
Fixed assets	**70,349**	**57,621**
Intangible assets	230	433
Tangible assets	55,832	33,514
A. Land and buildings	3,992	4,688
B. Plant, machinery and equipment	304	110
C. Furniture and vehicles	713	877
D. Assets under construction and advance payments	50,823	27,838
Financial assets	14,286	23,673
A. Affiliated companies	7,613	11,171
1. Participating interests	*5,171*	*3,171*
2. Amounts receivable	*2,442*	*8,000*
B. Other companies linked to participating interests	99	12,492
1. Participating interests	*99*	*11,162*
2. Amounts receivables	-	*1,330*
C. Other financial assets	6,574	10
1. Participating interests	-	-
2. Receivable and cash guarantee	-	-
Current assets	**70,202**	**64,407**
Amounts receivable after more that one year	-	-
A. Other amounts receivable	-	-
Stocks and contracts in progress	15,436	30,533
A. Stocks	13,042	13,631
1. Raw materials and consumables	*10,405*	*10,233*
2. Goods in process	-	-
3. Finished goods	*2,637*	*3,398*
B. Goods in process	2,394	16,902
Amounts receivable within one year	27,710	20,661
A. Trade debtors	25,413	18,364
B. Other amounts receivable	2,297	2,296
Investments	5,780	6,646
A. Treasury shares	4,199	5,029
B. Other investments and deposits	1,590	1,617
Cash at bank and in hand	19,833	4,874
Deferred charges and accrued income	1,433	1,693
TOTAL ASSETS	**140,551**	**122,028**

LIABILITIES (EUR thousands)	**31.12.14**	**31.12.13**
Capital and reserves	**56,548**	**52,770**
Capital	**8,342**	**8,342**
A. Issued capital	8,342	8,342
Reserves	**42,259**	**40,292**
A. Legal reserve	834	834
B. Reserves not available for distribution	4,199	5,029
1. In respect of treasury shares	*4,199*	*5,029*
C. Not taxable reserves	-	525
D. Reserves available for distribution	37,226	33,904
Investment grants	**5,946**	**4,136**
Provisions and deferred taxation	**1,738**	**2,808**
A. Provision for liabilities and charges	1,575	2,619
B. Deferred taxation	162	188
Creditors	**82,265**	**66,451**
Amounts payable after one year	**30,800**	**8,235**
A. Financial debts	24,800	8,235
1. Credit institutions	*24,800*	*8,235*
B. Other amounts payable	6,000	-
Amounts payable within one year	**52,331**	**55,933**
A. Current portion of amounts payable after one year	5,435	291
B. Financial debts	1,672	1,500
C. Trade debts	8,588	9,488
1. Suppliers	*8,588*	*9,488*
D. Advances received on orders	3,191	19,454
E. Taxes, remuneration and social security	14,517	10,890
1. Taxes	*7,380*	*3,530*
2. Remuneration and social security	*7,137*	*7,360*
F. Other amounts payable	15,487	14,310
Accrued charges and deferred income	**2,574**	**2,283**
TOTAL LIABILITIES	**140,551**	**122,028**

APPENDIX TO PARENT COMPANY FINANCIAL STATEMENTS

Capital as of December 31, 2014 (EUR thousands)	Amounts	Number of shares
A. Share capital		
1. Issued capital	8,342	13,625,000
2. Structure of capital		
2.1. Different categories of shares		
Shares without face value	8,342	13,625,000
2.2. Registered shares and bearer shares		
Registered shares – as of December 31, 2014		911,058
Bearer shares – as of December 31, 2014		12,713,942
B. Treasury shares held by the company itself	**5,364**	**140,498**
C. Commitments to issue shares		
1. Following the exercise of subscription rights		
- Number of outstanding subscription rights		372,050
- Amount of capital to be issued	11,121	
- Maximum number of shares to be issued		372,050
D. Amount of authorized capital, not issued	**1,600**	