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

EVS REPORTS FIRST QUARTER 2016 RESULTS

> 1Q16 highlights

- o Revenue of EUR 26.9 million, +11.4% compared to 1Q15 (+10.4% excl. event rentals and at constant currency)
- o Strong quarter in Americas and APAC,
- o EBIT of EUR 7.6 million (28.1% EBIT margin, or 24.3% EBIT margin excluding *other revenues*)
- o Net profit of EUR 4.9 million, EPS of EUR 0.36

> 2016 outlook

- o Order book of EUR 53.8 million on May 10, 2016 (to be invoiced in 2016), which includes EUR 10.8 million for big event rentals
 - > + 96.2% compared to 2015; +19.8% vs last big events year (2014)
- o Revenue in 2016 is expected to be between EUR 120 million and EUR 140 million (incl. around EUR 11 million of big event rentals)
- o Controlled opex growth in 2016

KEY FIGURES

EUR millions, except earnings per share (EUR)	Unaudited		
	1Q16	1Q15	1Q16/1Q15
Revenue	26.9	24.1	+11.4%
Gross margin	18.9	17.2	+9.9%
Gross margin %	70.5%	71.4%	-
Operating profit – EBIT	7.6	5.5	+37.9%
Operating margin – EBIT %	28.1%	22.7%	-
Net profit (Group share)	4.9	4.8	+1.4%
Basic earnings per share (Group share)	0.36	0.36	+1.3%

COMMENTS

“The recent NAB show confirmed that the key growth drivers of the broadcast industry are 4K, IP and multiplatform delivery”, said Muriel De Lathouwer, Managing Director & CEO of EVS. “But it also highlighted that the adoption of these new technologies will happen over years. EVS actively supports customers in these different transitions. The AIMS alliance (Alliance for IP Media Solutions), of which EVS is an active member, clearly helps making progress in the transition to IP.”

Commenting on the results and prospects, Yvan Absil, CFO, said: “Our first quarter sales were in line with our expectations and we delivered a strong order book in the context of a big event year. Revenue was supported by good performance in the Americas and APAC regions. For 2016, we expect revenue to be between EUR 120 million and EUR 140 million, including around EUR 11 million of rentals from big events. We entered 2016 with the same disciplined approach to cost management. The EBIT margin for the quarter was 28.1% (24.3% excluding *other revenues*), and the EPS EUR 0.36.”

Revenue in the first quarter of 2016

EVS revenue amounted to **EUR 26.9 million in 1Q16**, a 11.4% increase (+10.4% at constant currency and excluding big event rentals) compared to 1Q15. Sales of solutions in **Outside broadcast vans** represents 56.2% of the total group sales. **Studio & others** sales represents 43.8% of total sales. There were no **big events** in 1Q16.

Revenue – EUR millions	1Q16	1Q15	% 1Q16/ 1Q15
Total reported	26.9	24.1	+11.4%
Total at constant currency	26.6	24.1	+10.4%
Total at constant currency and excluding big event rentals	26.6	24.1	+10.4%

Geographically, sales (excl. big event rentals) are distributed in 1Q16 as follows:

- Europe, Middle-East and Africa (“**EMEA**”): EUR 8.6 million
- “**Americas**”: EUR 10.6 million
- Asia & Pacific (“**APAC**”): EUR 7.7 million

First quarter 2016 results

Consolidated gross margin was 70.5% for 1Q16, compared to 71.4% in 1Q15 due to the impact of the new building and product mix. Operating expenses grew by 4.5% yoy, mainly due to the impact of the new building and some changes in provisions on accounts receivables. The other revenues include among other a capital gain on assets held for sale. This leads to a **1Q16 EBIT margin of 28.1%** (24.3% excluding *other revenues*), compared to 22.7% in 1Q15. The other net financial income/expenses were impacted by the exchange results relating to the IFRS consolidation methodology. Group net profit amounted to EUR 4.9 million in 1Q16, compared to EUR 4.8 million in 1Q15. **Basic net profit per share amounted to EUR 0.36 in 1Q16**, compared to EUR 0.36 in 1Q15.

Staff

At the end of March 2016, EVS employed 483 people (FTE), -4.9% compared to March 2015 (508), mainly due to the closing of the Chengdu office (China) in 2015 and selective recruitments.

Balance sheet and cash flow statement

Total equity represented 58.8% of total balance sheet at the end of March 2016. Inventories amounted to EUR 17.4 million, including around EUR 3.0 million value of own equipment used for R&D and demos of EVS products. Inventories were up compared to the end of 2015, and includes most of the equipment produced in preparation of the big sporting events. In the liabilities, provisions include mainly the provision for technical warranty on EVS products for labor and parts.

Lands and building mainly include the new headquarters in Liège. Depreciation on the building started in 2Q15 and will be approximately EUR 2.1 million on a full year basis. Liabilities include EUR 23.5 million financial debt (including long term and short term portion of it) relating to the new building. The company already started to repay it in 2015 with installment of around EUR 5.2 million reimbursement per year

The net cash from operating activities amounted to EUR 8.5 million in 1Q16. On March 31, 2016, the group balance sheet showed **EUR 29.2 million in cash and cash equivalents**.

At the end of March 2016, there were 13,625,000 EVS outstanding shares, of which 129,917 were owned by the company. At the same date, 255,250 warrants were outstanding with an average strike price of EUR 40.83 and an average maturity in March 2017.

2016 outlook

The **order book** (to be invoiced in 2016) on May 10, 2016 amounts to **EUR 53.8 million**, which is +96.2% compared to EUR 27.4 million last year (+67.3% excl. the big event rentals: EUR 10.8 million in 2016 and EUR 1.7 million in 2015), or + 19.8% vs big event year 2014.

In addition to this order book to be invoiced in 2016, EVS already has EUR 12.6 million of orders to be invoiced in 2017 and beyond.

The recent NAB show confirmed that the key drivers of the broadcast industry are 4K, IP and multiplatform delivery, but also that adoption for the new technologies will happen over years. In this context, we expect revenue in 2016 to be between EUR 120 million and EUR 140 million (incl. around EUR 11 million of rentals relating to the big sporting events). In 2016, we expect some

controlled opex growth, mainly driven by the impact of the new building, a strong focus on cost management and investments in new products and new technologies.

Ordinary General Meeting

The Ordinary General Meeting is planned on Tuesday May 17, 2016 at EVS Headquarters. The invitation as well as all details are available on the company website: www.evs.com

Status of the control by the Statutory Auditors

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

Conference call

EVS will hold a conference call in English today at 3:00 pm CET for financial analysts and institutional investors. Other interested parties may join the call in a listen-only mode. The presentation used during the conference call will be available shortly before the call on the EVS website.

Dial-in numbers: +44 (0)20 7162 0077 (United Kingdom), +32 (0)2 290 14 07 (Belgium), +1 334 323 6201 (United States)
Conference call ID: 958686

Corporate Calendar:

Tuesday May 17, 2016: Ordinary General Meeting
Tuesday May 24, 2016: final dividend – ex-date
Wednesday May 25, 2016: final dividend – record-date
Thursday May 26, 2016: final dividend – pay-date
Thursday August 25, 2016: 2Q16 results
Thursday November 10, 2016: 3Q16 results

For more information, please contact:

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Forward Looking Statements

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

About EVS

EVS provides its customers with reliable and innovative technology to enable the production of live, enriched video programming, allowing them to work more efficiently and boost their revenue streams. Its industry-leading broadcast and media production systems are used by broadcasters, production companies, post-production facilities, film studios, content owners and archive libraries around the globe. It spans four key markets – Sports, Entertainment, News and Media. Founded in 1994, its innovative Live Slow Motion system 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. Today, it continues to develop practical innovations, such as its C-Cast second-screen delivery platform, to help customers maximize the value of their media content.

The company is headquartered in Belgium and has 20 offices in Europe, the Middle East, Asia and North America. Around 500 EVS professionals sell its branded products in over 100 countries, and provide customer support globally. EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371. For more information, please visit www.evs.com.

Condensed consolidated financial statements

ANNEX 1: CONDENSED CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Annex	1Q16 Unaudited	1Q15 Unaudited
Revenue	5.3	26,867	24,122
Cost of sales		-7,923	-6,889
Gross profit		18,944	17,233
Gross margin %		70.5%	71.4%
Selling and administrative expenses		-6,441	-5,766
Research and development expenses		-5,831	-5,974
Other revenues		1,042	90
Other expenses		-102	-37
Stock based compensation and ESOP plan		-50	-62
Operating profit (EBIT)		7,562	5,484
Operating margin (EBIT) %		28.1%	22.7%
Interest revenue on loans and deposits		4	44
Interest charges		-132	-78
Other net financial income / (expenses)	5.6	-654	1,289
Share in the result of the enterprise accounted for using the equity method		27	32
Profit before taxes (PBT)		6,807	6,771
Income taxes	5.7	-1,944	-1,975
Net profit		4,862	4,796
Attributable to :			
Non controlling interest		-	-
Equity holders of the parent company		4,862	4,796
EARNINGS PER SHARE (in number of shares and in EUR)			
		1Q16 Unaudited	1Q15 Unaudited
Weighted average number of subscribed shares for the period less treasury shares		13,495,083	13,484,502
Weighted average fully diluted number of shares		13,757,545	13,854,402
Basic earnings – share of the group		0.36	0.36
Fully diluted earnings – share of the group ⁽¹⁾		0.35	0.35

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
(EUR thousands)		1Q16 Unaudited	1Q15 Unaudited
Net profit		4,862	4,796
Other comprehensive income of the period			
Currency translation differences		-230	492
Other increase / (decrease)		-280	58
Total comprehensive income for the period		4,352	5,346
Attributable to :			
Non controlling interest		-	-
Equity holders of the parent company		4,352	5,346

(1) Excluding 255,250 warrants that were not exercisable at the end of March 2015, fully diluted earnings per share in 1Q16 would have been EUR 0.36.

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

ASSETS (EUR thousands)	Notes	March 31, 2016 Unaudited	Dec. 31, 2015 Audited
Non-current assets :			
Goodwill		1,125	1,125
Other intangible assets		373	404
Lands and buildings	5.11	47,832	48,054
Other tangible assets		3,630	3,586
Investment accounted for using equity method		947	920
Other financial assets		274	273
Total non-current assets		54,181	54,362
Current assets :			
Inventories		17,374	15,568
Trade receivables		30,991	36,254
Other amounts receivable, deferred charges and accrued income		3,808	3,620
Other financial assets		780	1,118
Cash and cash equivalents		29,246	22,572
Total current assets		82,200	79,131
Assets classified as held for sale	5.11	4,016	5,051
Total assets		140,397	138,544

EQUITY AND LIABILITIES (EUR thousands)	Notes	March 31, 2016 Unaudited	Dec. 31, 2015 Audited
Equity :			
Capital		8,342	8,342
Reserves		78,586	80,699
Interim dividends	5.5	-	-6,747
Treasury shares		-4,960	-4,960
Total consolidated reserves		73,626	68,993
Translation differences		586	816
Equity attributable to equity holders of the parent company		82,555	78,152
Non-controlling interest		6	6
Total equity	4	82,561	78,157
Long term provisions		1,091	1,132
Deferred taxes liabilities		1,684	1,678
Financial long term debts	5.11	17,250	19,600
Other long term debts		1,160	1,160
Non-current liabilities		21,185	23,570
Short term portion of financial debts	5.11	6,200	5,200
Trade payables		5,513	4,987
Amounts payable regarding remuneration and social security		8,758	9,879
Income tax payable		6,460	7,658
Other amounts payable, advances received, accrued charges and deferred income		9,720	9,094
Current liabilities		36,651	36,817
Total equity and liabilities		140,397	138,544

ANNEX 3: CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR thousands)	Notes	1Q16 Unaudited	1Q15 Unaudited
Cash flows from operating activities			
Operating Profit (EBIT)		7,562	5,484
Adjustment for non-cash items :			
- Depreciation and write-offs on fixed assets	5.11	815	330
- Stock based compensation and ESOP	1, 4	50	62
- Provisions and deferred taxes increase (+) / decrease (-)		-34	-3
		8,393	5,873
Increase (+) / decrease (-) of cash flows			
- Amounts receivable		5,263	1,608
- Inventories		-1,806	-444
- Trade debts		526	-544
- Remuneration, social security and taxes debts		-2,318	382
- Other items of the working capital		403	2,606
<i>Cash generated from operations</i>		<i>10,461</i>	<i>9,481</i>
Interest received		4	44
Income taxes	5.7	-1,944	-1,975
Net cash from operating activities		8,521	7,551
Cash flows from investing activities			
Purchase (-) / disposal (+) of intangible assets		-10	-27
Purchase (-) / disposal (+) of property, plant and equipment	5.11	1,157	-3,517
Purchase (-) / disposal (+) of other financial assets		-2	6,495
Net cash used in investing activities		1,145	2,951
Cash flows from financing activities			
Operations with treasury shares	4, 5.4	-	-
Other net equity variations		-510	550
Interest paid		-132	-78
Movements on long-term borrowings	5.11	-2,350	-3,668
Net cash used in financing activities		-2,992	-3,196
Net increase (+) / decrease (-) in cash and cash equivalents		6,674	7,305
Cash and cash equivalents at beginning of period		22,572	25,556
Cash and cash equivalents at end of period		29,246	32,861

ANNEX 4: CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(EUR thousands)	Issued capital	Other reserves	Treasury shares	Currency translation differences	Equity attributable to shareholders of the parent company	Non-controlling interest	Total equity
Balance as per December 31, 2014	8,342	70,165	-5,364	371	73,514	6	73,520
Total comprehensive income for the period		4,854		492	5,346		5,346
Share-based payments		62			62		62
Balance as per March 31, 2015	8,342	75,081	-5,364	863	78,922	6	78,928

(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, 2015	8,342	73,953	-4,960	816	78,151	6	78,157
Total comprehensive income for the period		4,582		-230	4,352		4,352
Share-based payments		50			50		50
Balance as per March 31, 2016	8,342	78,586	-4,960	586	82,555	6	82,561

ANNEX 5: NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5.1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of EVS Group for the 3 month-period ended March 31, 2016, are established and presented in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union.

NOTE 5.2: SIGNIFICANT ACCOUNTING POLICIES AND METHODS

The accounting policies and methods adopted for the preparation of the Company's IFRS consolidated financial statements are consistent with those applied in the 2015 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the 2015 annual report on www.evs.com.

NOTE 5.3: SEGMENT REPORTING

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, 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. 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 ("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: "Outside broadcast vans", "Studio & others" and "Big sporting event rentals" for rental contracts relating to the big sporting events of the even years.

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: Outside broadcast vans, Studio & others and Big sporting event rentals. Maintenance and after sale service are included in the complete solution proposed to the clients.

Revenue (EUR thousands)	1Q16	1Q15	% 1Q16/1Q15
Outside broadcast vans	15,093	16,973	-11.2%
Studio & others	11,773	7,150	+65.1%
Big sporting event rentals	-	-	N/A
Total Revenue	26,867	24,122	+11.4%

3.2.2. Information on sales by geographical information

Activities are divided by three regions: Asia-Pacific ("APAC"), Europe, Middle East and Africa ("EMEA"), and "Americas". Aside of them, we also identify the "big event rentals".

3.2.2.1. Revenue

Revenue for the quarter (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
1Q16 revenue	7,730	8,560	10,577	-	26,867
Evolution versus 1Q15 (%)	+24.5%	+80.9%	-19.7%	-	+11.4%
Variation versus 1Q15 (%) at constant currency	+24.5%	+80.9%	-21.5%	-	+10.4%
1Q15 revenue	6,211	4,733	13,179	-	24,122

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 one country: the US (Americas, EUR 37.8 million in the last 12 months).

3.2.2.2. Long term assets

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

3.2.3. Information on systems and services

Revenue can be presented by nature: systems and services.

Revenue (EUR thousands)	1Q16	1Q15	% 1Q16/ 1Q15
Systems	24,648	22,983	+7.2%
Services	2,219	1,139	+94.8%
Total Revenue	26,867	24,122	+11.4%

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 sales over the last 12 months.

NOTE 5.4: EQUITY SECURITIES

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

	2016	2015
Number of own shares at January 1	129,917	140,498
Acquisition of own shares on the market	-	-
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-	-
Sales related to Employee Stock Option Plan (ESOP) and other transactions	-	-
Own shares cancellation	-	-
Number of own shares at March 31	129,917	140,498
Outstanding warrants at March 31	255,250	369,900

In 1Q16, the company didn't repurchase any share on the stock market. No shares were used to satisfy the exercise of warrants by employees. At the end of March 2016, the company owned 129,917 own shares at an average historical price of EUR 38.18. At the same date, 255,250 warrants were outstanding with an average strike price of EUR 40.83 (no grant, no exercise and 11,550 cancellation in 1Q16) and an average maturity of March 2017.

NOTE 5.5: DIVIDENDS

The Board of Directors has decided to propose a total gross dividend of EUR 1.00 per share at the May 17, 2016 Ordinary General Meeting, including an interim dividend of EUR 0.50 per share paid in November 2015. This leads to a final gross dividend of EUR 0.50 per share, for digital coupon # 22, ex-date May 24 and pay date May 26.

(EUR thousands)	# Coupon	2015	2014
- Final dividend for 2013 (EUR 1.00 per share less treasury shares)	18	-	13,547
- Interim dividend for 2014 (EUR 1.00 per share less treasury shares)	19	-	13,485
- Final dividend for 2014 (EUR 1.00 per share less treasury shares)	20	13,495	-
- Interim dividend for 2015 (EUR 0.50 per share less treasury shares)	21	6,747	-
Total dividends paid		20,242	27,032

NOTE 5.6: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	1Q16	1Q15
Exchange results from statutory accounts	-97	-226
Exchange results relating to IFRS consolidation methodology	-586	1,521
Other financial results	29	-6
Other net financial income / (expenses)	-654	1,289

The functional currency of EVS Broadcast Equipment S.A. as well as all of the subsidiaries is the euro, except for the American EVS Inc. subsidiary, whose functional currency is the US dollar. The presentation currency of the consolidated financial statements of EVS Group is the euro. For more information on exchange rates, see also the annex 5.9.

NOTE 5.7: INCOME TAX

Reconciliation of the tax charge

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

(EUR thousands)	1Q16	1Q15
Reconciliation between the effective tax rate and the theoretical tax rate		
Reported profit before taxes, share in the result of the enterp. accounted for using the equity method	6,780	6,739
Reported tax charge based on the effective tax rate	-1,944	-1,975
Effective tax rate	28.7%	29.3%
Reconciliation items for the theoretical tax charge		
Tax effect of deduction for notional interests	-40	-57
Tax effect of non-deductible expenditures	76	83
Tax effect due to the carry-over taxation for gains on building disposals	-118	-
Other increase / (decrease)	30	-134
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-1,995	-2,082
Theoretical tax rate	29.4%	30.9%

NOTE 5.8: HEADCOUNT

(in full time equivalents)	At March 31	Three-months average
2016	483	480
2015	508	512
Variation	-4.9%	-6.2%

Main reason for the staff decrease in 2015 is the closing of the EVS development center in Chengdu (China) in June 2015. It employed 34 people at the time of the closing. Ongoing developments made in China were transferred in new headquarter in Liège, where 11 people were recruited for this purpose.

NOTE 5.9: EXCHANGE RATES

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

Exchange rate USD / EUR	Average 1Q	At March 31
2016	1.1020	1.1385
2015	1.1261	1.0759
Variation	+2.2%	-5.5%

For 1Q16, the average US dollar exchange rate against the Euro increased by 2.2%. It had a positive impact on 1Q16 revenue of EUR 0.2 million, or 0.9%.

NOTE 5.10: FINANCIAL INSTRUMENTS

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

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

On March 31, 2016, the group held USD 3.0 million in forward exchange contracts, with an average maturity date of November 2016, and an average exchange rate of EUR/USD of 1.0892.

NOTE 5.11: FINANCIAL DEBT

In order to partially finance its new HQ and operating facilities, EVS has drawn down a total of EUR 30 million loans. EVS already started to pay these loans down, and will gradually do so until 2020. In 2015, EUR 5.2 million have been reimbursed. In 2016, another EUR 5.2 million will be reimbursed, of which EUR 1.4 million were paid in 1Q16.

NOTE 5.12 SUBSEQUENT EVENTS

There was no subsequent event that may have a material impact on the balance sheet or income statement of EVS.

NOTE 5.13: RISK AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2016 are similar to the risks and uncertainties that have been identified by the management of the company and that are listed in the management report of the annual report (available at www.evs.com).

NOTE 5.14: CONFLICTS OF INTEREST – RELATED PARTIES TRANSACTIONS

During the period under review, there was no conflict of interest according to the specific procedure provided for under Articles 523 and 524 of Company Law ("Code des Sociétés").

There were no related party transactions.

There were no changes in the related parties' transactions as described in the last management report ("rapport de gestion").

Certification of responsible persons

Muriel De Lathouwer, Managing Director & CEO
Yvan Absil, CFO

Certify that, based on their knowledge,

- a) the condensed financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, fairly present in all material respects the financial condition and results of operations of the issuer and the companies included in the consolidation,
- b) the Directors' report fairly presents the important events and related parties transactions of 1Q16, including their impact on the condensed financial statements, and a description of the existing risks and uncertainties for the remaining months of the fiscal year.