PRESS
RELEASE

Publication on May 16, 2013, before market opening
Regulated information – Press release interim financial report
EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVSB.BR)

EVS REPORTS FIRST QUARTER 2013 RESULTS

- **Solid 1Q13, with a soft start and increasing momentum during the quarter**
  - Revenue of EUR 32.8 million, +9.2% (+9.4% excl. event rentals and at constant currency)
  - EBIT margin of 44.0%, EPS up by 15.1% to EUR 0.75
- **2013: spring order book of EUR 32.8 million at May 10, 2013**
  - -39.0% vs record 2012 spring order book (-26.8% excl. big events)
  - Stronger APAC, stable EMEA and weaker Americas market conditions
  - As usual, low visibility in a non-big sporting event year
- **Execution of new strategy and organization plan on track**
- **Total gross dividend of EUR 2.64 (dividend yield of 5.6%)**
- **Despite a weaker order intake in the Americas we maintain our guidance for 2013**

KEY FIGURES

EUR millions, except earnings per share expressed (EUR)	Unaudited			
	1Q13	4Q12	1Q12	1Q13/1Q12
Revenue	32.8	25.6	30.0	+9.2%
Operating profit – EBIT	14.5	5.2	13.6	+6.7%
Operating margin – EBIT %	44.0%	20.3%	45.1%	-
Contribution from dcinex	-0.2	0.4	0.1	N/A
Net profit – Group share	10.0	4.4	8.7	+15.2%
Net profit from operations, excl. dcinex – Group share (1)	10.4	5.8	8.9	+17.2%
Basic earnings per share	0.75	0.32	0.65	+15.1%
Basic earnings per share from operations, excl. dcinex (1)	0.78	0.43	0.66	+17.0%

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

COMMENTS

"The first quarter delivered by our company is encouraging," said Joop Janssen, Managing Director & CEO of EVS. "In an uncertain macro-economic environment, we posted again a solid performance. While some regions and countries go through challenging times more than others, the global reach and EVS' strong brand and product position gives us confidence to deliver our ambitious plan. We are in particular proud of our very good progress in APAC where in addition to a strong market development our share in it seems to grow even more rapidly in the quarter. Our new strategy, launched in February of this year is now fully in place and very well received by our markets at the yearly global Media tradeshow (NAB) in mid April. EVS launched an impressive number of new products in all of our four target markets. The execution of the new organization plans is well on track. As indicated earlier we have brought our headcount growth further under control while concentrating on leveraging our investments in new product innovation."

Commenting on the results and prospects, Jacques Galloy, Director and CFO, said: "The first quarter of 2013 is in line with our expectations. Sales reach EUR 32.8 million, which is an increase of 9.2% compared to last year and of 28.4% compared to 4Q12. This revenue growth is higher than the market. The operating profit grew by 6.7% to EUR 14.5 million versus 1Q12, which translates into a solid 44.0% operating margin. This transforming year is on track even if markets are growing softly. EVS experiences strong momentum in APAC, partly offset by weaker America's and stable EMEA. The second half is expected to be better than the first half of the year as it should get traction from big sporting events to occur in 2014."

Revenue in 1Q13

EVS revenue amounted to **EUR 32.8 million in 1Q13**, an increase of 9.2% (+9.4% at constant currency and excluding the big events rentals) compared to 1Q12. Sales of solutions in **Sports** increased by 19.3**%** (+19.6% at cst currency and excl. big events) to EUR 27.2 million, representing 82.8% of total group sales in 1Q13. **ENM** (Entertainment, News and Media) sales decreased by 22.5% in 1Q13 to EUR 5.6 million (-22.4% at cst exch. rate and excl. big events). ENM sales represented 17.2% of total sales in 1Q13.

Revenue – EUR millions (1)	1Q13	1Q12	% 1Q13/ 1Q12
Total reported	32.8	30.0	+9.2%
Total at constant currency	32.9	30.0	+9.4%
Total at constant currency and excluding big events rentals	32.9	30.0	**+9.4%**

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

2013 started on the same tone as 2012 for the industry: the macro-economic environment remains uncertain, and market demand fluctuates differently in every region, according to the type of client and the timing. EVS seems to continue benefiting from its strong global reach, competitive position and continued investments in innovation. The enlarged portfolio of products is supporting EVS' successes in our different markets.

Sports grew mainly thanks to new OB and SportsCenter projects across many countries. ENM sales declined by EUR 1.6 million (-22.5%) due to a large project delivered in 1Q12. EVS order intake in ENM more than doubled in 1Q13 (+EUR 7.0 million), on the back of significant orders (new wins and upgrades).

Geographically, sales have evolved in 1Q13 as follows:

- Europe, Middle-East and Africa ("**EMEA**"): EUR 14.2 million (-19.4% compared to 1Q12), representing 43.3% of group revenue. While the performance in Europe is overall in line with our expectations, Eastern Europe, UK and Northern Europe are most dynamic while Mediterranean area remains weak. Recent project wins in EMEA will also support the performance in the rest of the year.
- "**Americas**": EUR 8.4 million, ie. +50.1% at constant currency versus EUR 5.6 million in 1Q12, mainly due to a strong backorder at January 1 in both Sports and ENM. It shall be a challenge to match the record 2Q12 sales numbers of EUR 12.7 million as the order intake in the America's is weaker than expected. Our market share is flat which indicated a generic slowness in this region in Q1.The upcoming world cup in Brazil in 2014 will start to add traction in these markets.
- Asia & Pacific ("**APAC**"): EUR 10.2 million, or +50.5%. EVS is gaining market share in this buoyant region which is delivering above expectations, in particular in Australia and Japan.

Operating results in 1Q13

Consolidated gross margin was 79.2% for 1Q13, higher than 1Q12 (77.6%) due to the leveraging effect of higher sales on fixed operations costs. Operating expenses grew by 19.2%, mainly due to the recruitments made during 2012 (+10.4% in average on the quarter) relating to the acceleration on some strategic R&D projects and some costs relating to the setup of the new strategy. The new management team is also now fully reported under SG&A. This leads to a solid **1Q13 EBIT margin of 44.0%**, compared to 45.1% last year. dcinex contributed EUR -0.2 million to EVS results in 1Q13, compared to a positive EUR 0.1 million in 1Q12. Group net profit amounted to EUR 10.0 million in 1Q13, compared to EUR 8.7 million in 1Q12, while net profit from operations, excluding dcinex, was EUR 10.4 million in 1Q13 (+17.2%). **Basic net profit per share amounted to EUR 0.75 in 1Q13**, +15.1% compared to EUR 0.65 for 1Q12.

Progress on our new strategy

The new management team is in place and the new internal organization has been announced and implemented during the first quarter. Sales are now being reported according to several dimensions: by market (Sports, ENM and Big Events), by Region (APAC, EMEA and Americas) and by nature (Systems and Services). For the sake of clarity and as illustrated in the 2012 Financial Annual Report, around 90% of former OB and 50% of former studio market are now allocated to Sports, while 10% of former OB as well as 50% of studio is now allocated to ENM. For IFRS financial reporting purpose, all the members of the Executive Committee are now being reported under "SG&A expenses". Some staff or teams have also been reclassified between different IFRS costs categories. The biggest change is the transfer of 8 employees from "operations" to "R&D". The past figures have been kept consistent without retroactive reallocation.

Staff

At the end of March 2013, EVS employed 465 people (FTE), more or less stable compared to end 2012 (463) in line with our plan to reduce our opex growth compared to last years. On average, EVS employed 466 FTE in 1Q13, compared to 422 in 2012, a 10.4% increase. The main increase is due to slightly more than 12 temporary R&D developers accelerating some strategic programs. One third of EVS' headcount are located in one of the company's 20 foreign sale offices or development business units.

Balance sheet and cash flow statement

Net equity represented 70.1% of total balance sheet at the end of March 2013. At the end of 2011, EVS started the construction of a new integrated building in the same area in Liège, in order to gather all employees of EVS headquarters, split today in 6 different buildings. EUR 15.3 million have been invested by the end of March 2013, out of a total budget of slightly more than EUR 40 million. That project will be partly financed through financial debt but strong cash generation has allowed the company to finance the investments until now without drawing down on the EUR 14 million credit line, put in place earlier in 2012. Inventories amounted to EUR 15.5 million at the end of March, slightly down compared to the end of 2012. It includes EUR 4.0 million value of own equipment used for own R&D and demos of EVS successful products. In the liabilities, provisions include mainly the repositioning accruals as well as the provision for technical warranty on EVS products for labor and parts.

The net cash from operating activities amounted to EUR 19.6 million in 1Q13. On March 31, 2013, the group balance sheet showed **EUR 37.0 million in cash and cash equivalents**, and EUR 0.8 million in long-term financial debts (including short term portion of it).

At the end of March 2013, there were 13,625,000 EVS outstanding shares, of which 156,503 were owned by the company. At the same date, 422.450 warrants were outstanding with an average strike price of EUR 38.56 and an average maturity in 2015.

Final dividend

The Board has proposed a total gross EUR 2.64 dividend (including the EUR 1.16 interim) to the Ordinary General Meeting of Shareholders to be held next May 21, 2013, implying a final gross dividend of EUR 1.48 to be paid next May 31, 2013 (ex-date May 28). This represents a payout ratio of 78.9% (gross dividend/net profit from operations, excl. dcinex) and a dividend yield of 5.6% (gross dividend/ average share price in 1Q13).

Long-term drivers and strategy

While sport is still a significant part of the total business, less cyclical segments i.e. Entertainment, News and Media are growing more rapidly. In its diversification process, EVS wants to take a leading position in niches that have a high growth potential. Its "Speed to Air" strategy is an answer to TV stations desire to move to new and more efficient production workflows, benefiting from the flexibility of tapeless server technologies. The other main reasons of investments in TV stations are the transition from standard definition (SD) to high definition (HD), the remote production, more TV demand in emerging markets, the look for catching audiences on "second screens", and an increased focus of broadcasters/IPTV and advertisers on large popular sport broadcasts to gain new viewers. More advanced camera and display technologies such as UltraHD (4K) and 3D technologies appear to speed up the conversion to and subsequent upgrades in tapeless production facilities. In the medium to long term, EVS targets stronger growth the Entertainment, News and Media markets, in addition to its historical and expanding sport business.

In its strategy review, EVS has revisited industry numbers and estimates the total addressable market for its four different markets to be around EUR 1.6 billion. Therefore, taking into account usual business risks and uncertainties, the EVS Board believes that the long term underlying demand for EVS products should continue to be supported by these structural growth drivers, which will impact positively the business over a long period of time and will follow usual equipment investment cycles.

Outlook 2013

The global **spring order book** (to be invoiced in 2013) at May 10, 2013 amounts to **EUR 32.8 million**, which is 39.0% lower compared to EUR 53.8 million on the same date one year ago (-26.8% vs last year, excl. big events rentals). The order book in 2013 does not include any big event rental, while the order book in 2012 included EUR 9.0 million in relation with the Euro soccer championship and the summer Olympics. Sports represent 56.8% of the order book.

In addition to this EUR 32.8 million order book, and at May 10 as well, EVS already has orders for **EUR 10.1 million that should be invoiced in 2014 and beyond** (including EUR 1.6 million relating to the Winter Olympics, but not yet the contract relating to the world cup, announced today), compared to EUR 5.6 million last year. EVS is increasing progressively its recurring service revenues.

In Sports, the company defends its market share despite competition and even consolidates its position in that segment. In ENM, EVS continues to gain market shares and significant customers in this promising and quite competitive segment.

EVS seems to outperform the market early 2013 despite slower Americas and Mediterranean markets, but this year shall not benefit from EUR 10 million of rental agreements relating to the 2012's big sporting events rentals. The company experiences a sound transformation which shall reposition itself for further growth. Following a good NAB tradeshow, the Management and the Board of Directors are optimistic about the long term prospects of the group, underpinned by robust long term growth drivers.

The company reiterates its low visibility in the current state of the economy even if many initiatives are ongoing in the exciting digital media industry. For 2013, the guidance is maintained: operating expenses should grow by a low double digit rate, which should normally translate in lower margins. Sales in the second half of the year should be better than first half as it shall start benefiting from the traction of big sporting events in 2014 (also in emerging countries) as well as the first impacts of the new strategy. EVS targets small niches where the combination of infrastructure reliability, applications agility and service quality are essential success criteria. It should be clear that risk factors such as economic uncertainties, balance-sheets constraints of clients or major currencies fluctuations do not make short-term forecasting easy.

Status of the control by the Statutory Auditor

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

Shareholders Meeting

The Ordinary Shareholders Meeting is planned next Tuesday May 21 at EVS Headquarters. The invitation as well as all details are available on the company website : www.evs.com.

EVS will hold today the following events:

- A conference call in English will be held at 3:00 pm CET (please contact corpcom@evs.com to receive the dial-in number and the presentation).

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

Corporate Calendar:

Tuesday May 21, 2013	Ordinary General Meeting
Tuesday May 28, 2013	Final dividend: ex-date
Thursday May 30, 2013	Final dividend: record date
Friday May 31, 2013	Final dividend: payment date
Thursday August 29, 2013	2Q13 earnings
Thursday November 14, 2013	3Q13 earnings

For more information, please contact:

Joop JANSSEN, Managing Director & CEO
Jacques GALLOY, Director & CFO
Geoffroy d'OULTREMONT, Vice President Investor Relations & Corporate Communication
EVS Broadcast Equipment S.A., Liege Science Park, 16 rue du Bois Saint-Jean, B-4102 Seraing, Belgium
Tel: +32 4 361 70 14. E-mail: corpcom@evs.tv; www.evs.com

About EVS

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

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

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

dcinex, of which EVS owns 41.3%, is the European leader for Digital Cinema technology and services in Europe with more than 5,500 committed digital screens in Europe, out of which 3,700 have already been deployed. www.dcinex.com.

Condensed consolidated financial statements

ANNEX 1: CONDENSED CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Note	1Q13 Unaudited	4Q12 Unaudited	1Q12 Unaudited
Revenue	5.4	32,817	25,560	30,050
Costs of sales		-6,815	-8,350	-6,744
Gross margin		**26,002**	**17,210**	**23,306**
Gross margin %		**79.2%**	**67.3%**	**77.6%**
Selling and administrative expenses		-5,565	-3,947	-4,441
Research and development expenses	5.8	-5,815	-6,378	-5,108
Other revenue		96	94	124
Other expenses		-44	-90	-64
Stock based compensation and ESOP plan		-77	-208	-105
Amortization and impairment on goodwill, acquired technology and IP		-146	-96	-161
EBIT before repositioning costs		**14,452**	**6,586**	**13,551**
EBIT % before repositioning costs		**44.0%**	**25.8%**	**45.1%**
Repositioning costs		-	-1,405	-
Operating profit (EBIT)		**14,452**	**5,181**	**13,551**
Operating margin - (EBIT) %		**44.0%**	**20.3%**	**45.1%**
Interest revenue on loans and deposits		71	72	48
Interest charges		-65	-71	-76
Other net financial incomes/(charges)	5.9	187	-110	-1,048
Share in the result of the enterprise accounted for using the equity method	5.11	-142	433	90
Profit before taxes (PBT)		**14,503**	**5,505**	**12,565**
Income taxes	5.10	-4,467	-1,134	-3,852
Net profit from continuing operations		**10,036**	**4,371**	**8,714**
Net profit		**10,036**	**4,371**	**8,714**
Attributable to:				
Minority interests		4	-	-
Equity holders of the parent company		**10,040**	**4,371**	**8,714**
Net profit from operations, excl. dcinex - share of the group (1)	**5.3**	**10,435**	**5,754**	**8,905**

EARNINGS PER SHARE *(in number of shares and in EUR)*	**5.7**	**1Q13 Unaudited**	**4Q12 Unaudited**	**1Q12 Unaudited**
Weighted average number of subscribed shares for the period less treasury shares		13,459,246	13,453,905	13,441,628
Weighted average fully diluted number of shares (2)		13,895,847	13,915,786	13,728,178
Basic earnings - share of the group		**0.75**	**0.32**	**0.65**
Fully diluted earnings - share of the group (2)		**0.72**	**0.31**	**0.63**
Basic net profit from operations, excl. dcinex - share of the group		**0.78**	**0.43**	**0.66**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	1Q13 Unaudited	4Q12 Unaudited	1Q12 Unaudited
Net profit	**10,036**	**4,371**	**8,714**
Other comprehensive income of the period			
Currency translation differences	185	-46	-78
Other increase/(decrease)	376	432	52
Total comprehensive income for the period	**10,597**	**4,757**	**8,688**
Attributable to :			
Non controlling interests	4	-	-1
Equity holders of the parent company	**10,601**	**4,757**	**8,687**

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

(2) Excluding 58,550 warrants that were out of money at the end of March 2013, fully diluted earnings per share in 1Q13 would have been EUR 0.73.

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

ASSETS (EUR thousands)	Note	March 31, 2013 Unaudited	Dec. 31, 2012 Audited
Non-current assets :			
Goodwill		560	610
Acquired technology and IP		383	479
Other intangible assets		475	534
Lands and buildings	5.15	22,097	19,261
Other tangible assets		1,907	1,846
Investment accounted for using equity method	5.11	7,797	7,717
Subordinated loans	5.11	1,330	830
Other financial assets		262	178
Total non-current assets		**34,812**	**31,455**
Current assets :			
Inventories		15,510	15,868
Trade receivables		18,312	21,101
Other amounts receivable, deferred charges and accrued income		5,299	5,111
Cash and cash equivalents		37,004	21,426
Total current assets		**76,125**	**63,507**
Total assets		**110,937**	**94,962**

EQUITY AND LIABILITIES (EUR thousands)	Note	March 31, 2013 Unaudited	Dec. 31, 2012 Audited
Equity :			
Capital		**8,342**	**8,342**
Reserves		75,047	80,861
Interim dividends		-	-15,606
Treasury shares		-5,901	-6,412
Total consolidated reserves		**69,146**	**58,843**
Translation differences		266	81
Equity attributable to equity holders of the parent company		**77,755**	**67,266**
Minority interests		**3**	**8**
Total equity	**4**	**77,757**	**67,274**
Long term provisions		1,705	2,035
Deferred taxes liabilities		1,023	1,036
Financial long term debts	5.15	538	541
Non-current liabilities		**3,267**	**3,612**
Short term portion of financial long term debts		291	291
Trade payables		7,908	6,626
Amounts payable regarding remuneration and social security		8,624	8,899
Income tax payable		4,977	1,367
Other amounts payable, advances received, accrued charges and deferred income		8,113	6,893
Current liabilities		**29,914**	**24,076**
Total equity and liabilities		**110,937**	**94,962**

ANNEX 3: CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR thousands)	1Q13 Unaudited	1Q12 Unaudited
Cash flows from operating activities		
Operating Profit (EBIT)	14,452	13,551
Adjustment for non cash items :		
- Depreciation and write-offs on fixed assets	815	743
- Foreign exchange result	222	-1,054
- Stock based compensation and ESOP	77	105
- Provisions and deferred taxes increase/(decrease)	-343	147
	15,223	**13,492**
Increase (+)/decrease (-) of cash flows		
- Amounts receivable	2,789	2,018
- Inventories	358	-2,482
- Trade debts	1,283	728
- Remuneration, social security debts and taxes	3,335	2,548
- Other items of the working capital	997	-3,903
Cash generated from operations	*23,985*	*12,401*
Interest received	71	48
Income taxes	-4,467	-3,852
Net cash from operating activities	**19,589**	**8,597**
Cash flows from investing activities		
Purchase (-)/disposal (+) of intangible assets	-29	-684
Purchase (-)/disposal (+) of property, plant and equipment	-3,478	-3,772
Purchase (-)/disposal (+) of other financial assets	-584	133
Net cash used in investing activities	**-4,091**	**-4,323**
Cash flows from financing activities		
Operations with treasury shares	511	-
Other net equity variations	-364	509
Interest paid	-65	-76
Movements on long-term borrowings	-3	-80
Interim dividend paid	-	-
Final dividend paid	-	-
Net cash used in financing activities	**79**	**353**
Net increase/(decrease) in cash and cash equivalents	**15,577**	**4,627**
Cash and cash equivalents at beginning of period	**21,426**	**19,932**
Cash and cash equivalents at end of period	**37,004**	**24,559**

ANNEX 4: CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(EUR thousands)	Issued capital	Other reserves	Treasury shares	Currency translation differences	Equity attributable to shareholders of the parent company	Minority interest	Total equity
Balance as per December 31, 2011	**8,342**	**54,112**	**-6,915**	**127**	**55,666**	**8**	**55,674**
Total comprehensive income for the period		8,766		-78	8,688	-1	8,687
Share-based payments		640			640		640
Operations with treasury shares			0		0		0
Balance as per March 31, 2012	**8,342**	**63,517**	**-6,915**	**49**	**64,994**	**7**	**65,001**

(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		10,416		185	10,601	-5	10,596
Share-based payments		-624			-624		-624
Operations with treasury shares			511		511		511
Balance as per March 31, 2013	**8,342**	**75,047**	**-5,901**	**266**	**77,754**	**3**	**77,757**

ANNEX 5: NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of EVS Group for the 3 months period ended March 31, 2013 are established and presented in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES AND METHODS

The accounting policies and methods adopted for the preparation of the Company's IFRS consolidated financial statements are consistent with those applied in the 2012 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the 2012 annual report on www.evs.com.

NOTE 3: USE OF NON-GAAP FINANCIAL MEASURES

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

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

(EUR thousands)	1Q13	1Q12
Net profit for the period – IFRS	10,040	8,714
Allocation to Employees Profit Sharing Plan	-	-
Stock Option Plan	77	105
Amortization and impairment on acquired technology and IP	146	161
Amortization/impairment on Tax Shelter rights assets	5	-
Contribution of dcinex	167	-75
Net profit from operations, excl. dcinex	**10,435**	**8,905**

NOTE 4: SEGMENT REPORTING

4.1. General information

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

From an operational point of view, the company is vertically integrated with the majority of its staff in the headquarters in Belgium, including the R&D, production, marketing and administration departments. This explains why the majority of the investments and costs are located at the level of the Belgian parent company. The foreign subsidiaries are primarily sales and representative offices. The Chief Operating Decision Maker, being the Executive Committee, review the operating results and operating plans, and make 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 abovementioned 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 "America's"). This division follows the organization of the commercial and support services within the group, which operates worldwide. From fiscal year 2013, "NALA" region is renamed "Americas". 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 events rentals" for rental contracts relating to the big sporting events of the even years. The former categories "Outside broadcast vans" and the "TV production studios" are spread between these new markets.

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

4.2. Additional information

4.2.1. 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)	1Q13	4Q12	1Q12	% 1Q13/1Q12
Sports	27,178	16,455	22,777	+19.3%
Entertainment, News & Media	5,639	9,105	7,274	-22.5%
Big sporting event rentals	-	-	-	-
Total	**32,817**	**25,560**	**30,050**	**+9.2%**

Historical figures have been slightly reviewed compared to the numbers published on March 15, 2013 during the investor day, following a deeper analysis of the different destinations. In particular, around 10% of former OB sales have been reallocated to ENM and this percentage shall be more accurate as the year goes.

4.2.2. Information on sales by geographical information

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

4.2.2.1. Revenue

Revenue for the quarter (EUR thousands)	APAC	EMEA	Americas	TOTAL
1Q13 revenue	**10,184**	**14,219**	**8,414**	**32,817**
Evolution versus 1Q12 (%)	+50.5%	-19.4%	+49.0%	**+9.2%**
Segment revenue at constant currency	10,184	14,219	8,477	**32,880**
Variation versus 1Q12 (%) at constant currency	+50.5%	-19.4%	+50.1%	**+9.4%**
Variation versus 1Q12 (%) at constant currency and excluding big event rentals	+50.5%	-19.4%	+50.1%	**+9.4%**
1Q12 revenue	**6,769**	**17,633**	**5,649**	**30,050**

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 27.8 million in the last 12 months).

4.2.2.2. Long term assets

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

4.2.3. Information on systems and services

Revenue can be presented by nature: systems and services.

Revenue (EUR milliers)	1Q13	1Q12	% 1Q13/1Q12
Systems	31,198	28,227	+10.5%
Services	1,619	1,824	-11.2%
Total Revenue	**32,817**	**30,050**	**+9.2%**

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

4.2.4. Information on important clients

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

NOTE 5: DIVIDENDS

The Board of Directors has decided to propose a total gross dividend of EUR 2.64 per share at the May 21, 2013 Ordinary Shareholders Meeting, including an interim dividend of EUR 1.16 per share paid in November 2012. This leads to a final gross dividend of EUR 1.48 per share, for digital coupon # 16, ex-date May 28 and pay date May 31.

(EUR thousands)	# Coupon	2012	2011
- Final dividend for 2010 (EUR 1.48 per share less treasury shares)	12	-	19,927
- Interim dividend for 2011 (EUR 1.16 per share less treasury shares)	13	-	15,592
- Final dividend for 2011 (EUR 1.20 per share less treasury shares)	14	16,130	-
- Interim dividend for 2012 (EUR 1.16 per share less treasury shares)	15	15,606	-
Total dividends paid		**31,736**	**35,519**

NOTE 6: EQUITY SECURITIES

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

	2013	2012
Number of own shares at January 1	**170,053**	**183,372**
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	-13,550	-
Own shares cancellation	-	-
Number of own shares at March 31	**156,503**	**183,372**
Outstanding warrants at March 31	**422,450**	**286,550**

In 1Q13, the company has not repurchased any share on the stock market. A total of 13,550 shares were used to satisfy the exercise of warrants by employees. At the end of March 2013, the company owned 156,503 own shares at an average historical price of EUR 37.71. At the end of March 2013, 422,450 warrants were outstanding with an average strike price of EUR 38.56 and an average maturity of November 2015.

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

NOTE 7: EARNINGS PER SHARE (EPS)

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

NOTE 8: RESEARCH AND DEVELOPMENT

Since 4Q10, EVS takes into account a withholding tax exemption given since 2006 by the Belgian government to companies paying or allocating compensation to individual researchers who are engaged in collaborative R&D programs according to some criteria defined under section 273 of the Code of income tax in Belgium. In the presentation of the accounts, this amount comes as a deduction of R&D charges.

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

(EUR thousands)	1Q13	1Q12
Gross R&D expenses	6,058	5,324
R&D tax credits for current fiscal year	-243	-216
R&D expenses	**5,815**	**5,108**

NOTE 9: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	1Q13	1Q12
Exchange results from statutory accounts	200	290
Exchange results relating to IFRS consolidation methodology	22	-1,345
Impairment on Tax Shelter investments	-5	-22
Other financial results	-30	29
Other net financial income / (expenses)	**187**	**-1,048**

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

NOTE 10: INCOME TAX

Reconciliation of the tax charge

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

(EUR thousands)	1Q13	1Q12
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	14,645	12,475
Reported tax charge based on the effective tax rate	-4,467	-3,852
Effective tax rate	**30.5%**	**30.9%**
Reconciliation items for the theoretical tax charge		
Tax effect of Tax Shelter	-13	0
Tax effect of deduction for notional interests	-44	-39
Tax effect of non deductible expenditures	120	131
Other increase (decrease)	-51	335
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-4,456	-3,425
Theoretical tax rate (relating to EVS operations, excl. dcinex)	**30.4%**	**27.5%**

NOTE 11: INVESTMENTS IN ASSOCIATES - dcinex SA (formerly XDC SA)

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

As of March 31, 2013, dcinex shares accounted for using equity method in EVS consolidated accounts, plus the EVS share of the subordinated bonds issued by dcinex, amounted to EUR 8.5 million.

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

(EUR thousands)	1Q13	1Q12
Revenue	19,852	22,170
EBITDA	5,994	4,909
Net result for the period	**-403**	**179**
Part of dcinex capital held by EVS	41.3%	41.3%
dcinex contribution – share of EVS	**-166**	**74**

The cumulated Tax Loss Carry Forward of dcinex SA amounts to EUR 29.7 million on March 31, 2013. Deferred tax assets are being progressively recognized as the business plan materializes. As at March 31, 2013, 60% of deferred tax assets relating to these losses have been recognized.

NOTE 12: HEADCOUNT

(in full time equivalents)	At March 31	Three-months average
2013	465	466
2012	428	422
Variation	*+8.6%*	*+10.4%*

NOTE 13: EXCHANGE RATES

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

Exchange rate **USD / EUR**	Average 1Q	At March 31
2013	1.3206	1.2805
2012	1.3108	1.3356
Variation	*-0.7%*	*+4.3%*

For 1Q13, the average US dollar exchange rate against the Euro has decreased by 0.7% compared to 1Q12. It had a negative impact of EUR 0.1 million on revenue (0.2%). This was offset by both the natural hedge (on costs of materials and electronics, foreign operating expenses and foreign taxes) and the financial hedge which covers 50% of EVS net long position on 12 month forward horizon.

NOTE 14: FINANCIAL INSTRUMENTS

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

On March 31, 2013, the group held USD 7.5 million and AUD 4.2 million in forward exchange contracts earmarked to hedge 50% of the net future cash-flows in US dollars and 100% in Australian dollars, with an average maturity date of November 8, 2013 and May 11, 2013, respectively, and with an average exchange rate EUR/USD of 1.2958 and EUR/AUD of 1.2666.

NOTE 15: FINANCIAL DEBT AND NEW BUILDING INVESTMENT

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

As of March 31, 2013, EVS has financed 100% of capital expenditure of the new building with own cash without drawing this straight loan.

NOTE 16: SUBSEQUENT EVENTS

There was no subsequent event.

NOTE 17: RISK AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2013 and similar to the risks and uncertainties that have been identified by the management of the company and that are listed in the management report of the annual report (available at www.evs.com).

NOTE 18: CONFLICT 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.

Certification of responsible persons

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

Certify that, based on their knowledge,

a) the condensed financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, fairly present in all material respects the financial condition and results of operations of the issuer and the companies included in the consolidation,
b) the Directors' report fairly presents the important events and related parties transactions of the first quarter of 2013, 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.