Over the course of the year 2000 EVS smashed all its previous records.

The growth predicted in 1999 was realized, with increase of turnover, net current operating profit and the workforce. The EVS Group, which has been profitable ever since its creation, has experienced growth in sales of 650% over the last five years. This advance earned us the “Company of the year 2000” award.

Net financial debt was reduced from 4 to 2.2 million Euros, with property loans rising to 2.9 million Euros. New buildings are currently under construction at the two head offices in Liège and Montpellier. These developments, which represent around 4 000 m², are indispensable in order to continue our efforts to expand the group and develop new activities such as D-cinema (digital cinema).

The group’s strategy consists of reinforcing its presence in the professional sound and image sectors by means of new technology for hard-disk recording.

Our principal range of products – slow motion recorders – brings in a steady revenue stream which has allowed us to develop new products and as a result move into increasingly important markets.

Today, audio and video servers represent an additional source of profit, and more specifically of growth for the group.

In the future, D-cinema servers, which have been under development for two years, will further enhance an already extensive product range.

Thanks to top quality staff recruitment, the professionalism of our teams is recognised internationally. The quality of the work of each employee is an essential condition for the success of the group.

In view of the sales we have realized over the first quarter of 2001, the slowdown of the global economy does not seem to be affecting our field of activity.

Consequently, everything is in place to ensure that 2001 will once again be a year of growth.

Pierre L’Hoest
Managing Director

Laurent Minguet
Managing Director
### Key figures – consolidated, audited, in thousands Euros

<table>
<thead>
<tr>
<th></th>
<th>1998(0)</th>
<th>1999(1)</th>
<th>2000(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>21 733.7</td>
<td>21 574.8</td>
<td>37 985.1</td>
</tr>
<tr>
<td>Operating income (4)</td>
<td>16 568.0</td>
<td>21 574.8</td>
<td>37 985.1</td>
</tr>
<tr>
<td>Gross margin</td>
<td>14 279.9</td>
<td>15 902.0</td>
<td>27 915.2</td>
</tr>
<tr>
<td>Operating results</td>
<td>7 812.4</td>
<td>6 322.3</td>
<td>10 903.0</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>8 211.3</td>
<td>7 052.1</td>
<td>12 165.5</td>
</tr>
<tr>
<td>Financial income (+)/charges [-]</td>
<td>-775.2</td>
<td>-1 202.5</td>
<td>-2 732.9</td>
</tr>
<tr>
<td>Goodwill amortization</td>
<td>-628.9</td>
<td>-1 517.2</td>
<td>-2 513.3</td>
</tr>
<tr>
<td>Financial income (+)/expense (-) (excluding goodwill amortization)</td>
<td>-146.3</td>
<td>314.7</td>
<td>-219.6</td>
</tr>
<tr>
<td>Profit from operations before taxation</td>
<td>7 037.2</td>
<td>5 119.8</td>
<td>8 170.1</td>
</tr>
<tr>
<td>Extraordinary income (+)/expense (-)</td>
<td>-51.3</td>
<td>-29.1</td>
<td>-967.9</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>6 985.9</td>
<td>5 090.7</td>
<td>7 202.2</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-3 174.1</td>
<td>-2 468.0</td>
<td>-4 310.1</td>
</tr>
<tr>
<td>Net profit</td>
<td>3 811.8</td>
<td>2 622.7</td>
<td>2 892.1</td>
</tr>
<tr>
<td>Share in results of Third Parties and equity method results</td>
<td>15.5</td>
<td>123.5</td>
<td>68.2</td>
</tr>
<tr>
<td>Net profit – share of the Group</td>
<td>3 796.3</td>
<td>2 499.2</td>
<td>2 823.9</td>
</tr>
<tr>
<td><strong>Net profit from operations (3)(4)</strong></td>
<td><strong>3 915.0</strong></td>
<td><strong>4 045.5</strong></td>
<td><strong>6 305.1</strong></td>
</tr>
<tr>
<td>Net Cash Flow</td>
<td>4 845.5</td>
<td>4 748.5</td>
<td>7 652.6</td>
</tr>
</tbody>
</table>

(0) Consolidated income of EVS S.A., EVS USA, EVS Hong Kong, EVS France, VSE.
(1) Consolidated income of EVS S.A., EVS USA, EVS Hong Kong, EVS France, VSE, EVS Italy, EVS UK and Netia (as from 1st July, 1999).
(2) Consolidated income of EVS S.A., EVS USA, EVS Hong Kong, EVS France, VSE, EVS Italy, EVS UK and Netia.
(3) Net profit from operations = Net profit share of the Group excluding extraordinary income/expense and Amortization of consolidation goodwill and equity method goodwill.
(4) For 1998, the "Operating income" and the "Net profit from operations" do not include the income and costs relating to the sale of Philips cameras during the Soccer World Cup.

### The Figures

The company’s operating income rose to 38 million Euros and are thus 75% higher than the 1999 figure of 21.6 million Euros. This performance can be attributed to the quality of the products of the EVS Group and the excellent economic climate in the year 2000 which encouraged investment in the broadcasting market. The contract to provide equipment for the Olympic Games in Sydney contributed 2 million Euros to turnover for the financial year.

There was a 50% increase in operating income for EVS products (excluding Sydney Olympics) and a 67% increase for NETIA products (pro forma).

An analysis of operating income demonstrates that there was a clear progression between the 1st half of 2000 - 16 million Euros – and the 2nd half of the year - 22 million Euros –, confirming the noticeable upturn which took effect at the beginning of the year 2000.

The net profit from operations – which is the net profit excluding extraordinary items and goodwill amortization – rose to 6.31 million Euros compared to 4.04 million Euros in 1999. This represents an increase of 56%.

The group’s net profit from operations – excluding extraordinary items and goodwill amortization – in the year 2000 is therefore 17% of turnover with a gross margin of 73%. This slight decline (17% in 2000 compared to 19% in 1999) is mainly due to the impact of NETIA, which realized a net profit from operations of 0.1 million Euros on operating income of 8.9 million Euros, or a return of 1%. NETIA, which only featured in the group’s results in 1999 for a period of 6 months, is still in a stage of investment.

The excellent margins achieved by the group thanks to the increasing number of products in our range are allowing us to fund the group’s rapid growth and prepare the products of the future today, while carefully balancing income and investments.
The EVS Group has reduced its net financial debt from 4 million Euros on 31 December 1999 to 2.2 million Euros, bearing in mind that property loans have risen to 2.9 million Euros. This amount represents 11.5% of equity capital as of 31 December 2000, which demonstrates the excellent financial position of the EVS Group.

Over the course of the past financial year the parent company’s auditor, ERNST & YOUNG, Réviseurs d’Entreprises S.C.C. (B160), represented by Philippe PIRE, and companies professionally linked to it performed consultancy services to the value of 13 163 Euros. This related to the following services: report on establishment as a holding company for the CBF, issue of warrants with cancellation of the priority right, support in drawing up the consolidated accounts, various tax services and advice within the context of the EVS/VSE merger.

At the Extraordinary General Meeting on 16 May 2000, the Board of Directors was authorised to acquire a maximum of 10% of the total number of shares issued within fixed boundaries relating to time and value. This buy-back policy is being pursued in order to support the share price and demonstrate confidence in the company’s future. This can also be considered as a shrewd investment in view of the undervaluation of the share on the stock market. As of 31 December 2000, the value of the 21 838 shares acquired by the company was 742 492 Euros.

The Extraordinary General Meeting on 16 May 2000 decided to issue 40 000 warrants, thereby bringing their total number to 80 000. As of 31 December 2000, 35 600 of these had been allocated.

EMPLOYMENT

During 2000, the group’s workforce grew from 129 to 163 employees. The most significant increase took place in the R&D department which welcomed 20 new members of staff over the course of the year. The EVS Group continues to invest in top quality staff in order to maintain and strengthen its technological lead.

Total salary payments rose to 7.8 million Euros, which represents 21% of operating income.

The net profit from operations of the group per employee is 38 681 Euros, or an increase of 23% on 1999.

Operating income per employee rose to 233 037 Euros, an increase of 39% on the figure for 1999.

HIGHLIGHTS OF THE YEAR 2000

- **April 2000**: presentation at the NAB broadcasting exhibition of the new “Triple” LSM (3 in, 3 out), which allows three operators to work on the same LSM simultaneously instead of only two in the past, presentation of DVB Delay 2000 (delayed broadcasting of a digital “bouquet”) and DVB Assist,

- **August 2000**: market launch, on the occasion of the Sydney Olympics, of the first High Definition LSM,

- **September 2000**: presentation of the new range of products dedicated to digital cinema (CineStore server),

- **September 2000**: presentation at IBC, broadcasting exhibition in Amsterdam, of new applications for our DVB servers: Video On Demand and Near Video On Demand,

- **October 2000**: “Company of the year 2000” awarded from among 400 growth companies in French-speaking Belgium.
RESEARCH & DEVELOPMENT

The R&D team has been further strengthened by another 20 employees over the course of the year 2000 and now has 62 members, representing 38% of the group’s personnel. Among other activities, these R&D teams are responsible for perfecting the third generation of slow motion recorders, thereby maintaining EVS’s global leadership in this sector. The range of video servers is being expanded and is benefiting from the adaptation for video use of the softwares developed by NETIA.

Research and Development costs have risen to 3.4 million Euros, or 9% of operating income, compared to 1.8 million Euros in 1999 (8%). These were charged to operations as incurred. These costs, essentially attributable to the employment of top quality staff, have therefore risen by 83% in 1 year. This is the result of a strategic decision of the EVS Group which guarantees its technological lead in an increasingly extensive product range.

SALES

The integration of Netia and the diversification of the product range has led us to review the breakdown of our products:

• the slow motion recorders - SLOMO – include the LSM, Super LSM and LSM HD;
• the Video servers are made up of MPEG and JPEG servers as well as OEM cards;
• the Audio servers relate more specifically to Netia products such as Radio-Assist.

The sales of EVS Group can therefore be divided up as follows:

<table>
<thead>
<tr>
<th>Products (Million Euros)</th>
<th>1999</th>
<th>2000</th>
<th>% Sales</th>
<th>% 2000/1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slow motion recorders [SLOMO]</td>
<td>11.9</td>
<td>17.0</td>
<td>47 %</td>
<td>+ 43 %</td>
</tr>
<tr>
<td>Video servers</td>
<td>4.1</td>
<td>10.0</td>
<td>27 %</td>
<td>+ 144 %</td>
</tr>
<tr>
<td>Audio servers [as from 1st July, 1999]</td>
<td>2.3</td>
<td>7.2</td>
<td>20 %</td>
<td>+ 213 %</td>
</tr>
<tr>
<td>Mosaics</td>
<td>1.2</td>
<td>1.2</td>
<td>3 %</td>
<td>-</td>
</tr>
<tr>
<td>Webcasting [as from 1st July, 1999]</td>
<td>0.4</td>
<td>0.8</td>
<td>2 %</td>
<td>+ 100 %</td>
</tr>
<tr>
<td>Others</td>
<td>0.4</td>
<td>0.0</td>
<td>1 %</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>20.3</strong></td>
<td><strong>36.6</strong></td>
<td><strong>100 %</strong></td>
<td><strong>+ 80 %</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regions (Million Euros)</th>
<th>1999</th>
<th>2000</th>
<th>% Sales</th>
<th>% 2000/1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>11.8</td>
<td>19.3</td>
<td>53 %</td>
<td>+ 64 %</td>
</tr>
<tr>
<td>America</td>
<td>5.9</td>
<td>9.6</td>
<td>26 %</td>
<td>+ 63 %</td>
</tr>
<tr>
<td>Far East and Oceania</td>
<td>2.2</td>
<td>6.5</td>
<td>18 %</td>
<td>+ 195 %</td>
</tr>
<tr>
<td>Africa and Middle East</td>
<td>0.4</td>
<td>1.2</td>
<td>3 %</td>
<td>+ 200 %</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>20.3</strong></td>
<td><strong>36.6</strong></td>
<td><strong>100 %</strong></td>
<td><strong>+ 80 %</strong></td>
</tr>
</tbody>
</table>
Sales of the Video and Audio servers have thus increased by 144% and 213% respectively, confirming the rapid development of these new products and their role as sources of growth next to the slow-motion recorders, sales of which have risen again by 43%. If the contract for the Olympic Games in Sydney is excluded, these sales have gone up by 26%.

Sales have increased on all continents, and in particular in Asia where the Hong Kong office has tripled its turnover. Excluding the contract for Sydney, these sales have risen to 4.4 million Euros, which represents growth of 100%.

DIVIDENDS

The Board of Directors will present a proposal to the Extraordinary General Meeting on 15 May 2001 to distribute a gross dividend of 1,832,929 Euros, or 0.64 Euro per share. This amount corresponds to around 30% of net profit excluding amortization of consolidation differences and is therefore in line with the dividend distribution policy described in the IPO prospectus.

This decision to distribute a dividend underlines the quality of the company and its ability to generate and distribute profits every year whilst continuing to invest.

PROSPECTS FOR 2001

EVS designs, develops and markets professional digital products in the sound and image sector: television, radio and cinema. EVS has extended its leadership in the market for slow motion recorders. The 6-channel LSM, a unique product on the market, is fulfilling its promise and will allow us to progressively renew the stock of systems delivered since 1995. Other developments, such as networking, are also in progress in this product range.

The EVS Group is maintaining its strategy of growth based on digital video and audio servers, which benefit increasingly from the integration of EVS and NETIA products. Efforts in the area of R&D are particularly important for these products which have a crucial role to play in the future of the company. The enormous increase in the sales of these servers, 144% for video and 213% for audio, demonstrates that the broadcasting market has started investing for the transition to a completely digital world.

The extension of these servers to the future market of digital cinema, where EVS already has a recognised presence, further reinforces this strategy.

The order book of the EVS Group as of 1st January 2001 was of 9 million Euros and orders of 8 million Euros have already been booked over the course of the first quarter.

For the 2001 financial year the EVS Group envisages an increase in operating income by at least 15% and, taking into account the intensification of investments in R&D, a net profit from operations at least 10% higher than that achieved in the year 2000. These objectives amount to doubling turnover between 1999 and 2001 and increasing the net profit from operations by 75% over the same period, in spite of the slowdown in the global economy already observed at the end of the year 2000.

The Board of Directors
Liège, 28 March 2001
BY PRODUCT

<table>
<thead>
<tr>
<th></th>
<th>SLOMO</th>
<th>%</th>
<th>VIDEO Servers</th>
<th>%</th>
<th>AUDIO Servers</th>
<th>%</th>
<th>Webcasting</th>
<th>%</th>
<th>MOS</th>
<th>%</th>
<th>OTHERS</th>
<th>%</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998*</td>
<td>11 879</td>
<td>75%</td>
<td>2 852</td>
<td>18%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>972</td>
<td>6%</td>
<td>219</td>
<td>1%</td>
<td>15 922</td>
</tr>
<tr>
<td>1999**</td>
<td>11 868</td>
<td>59%</td>
<td>4 127</td>
<td>20%</td>
<td>2 299</td>
<td>11%</td>
<td>385</td>
<td>2%</td>
<td>1 162</td>
<td>6%</td>
<td>430</td>
<td>2%</td>
<td>20 271</td>
</tr>
<tr>
<td>2000</td>
<td>16 966</td>
<td>46%</td>
<td>10 020</td>
<td>27%</td>
<td>7 188</td>
<td>20%</td>
<td>833</td>
<td>2%</td>
<td>1 233</td>
<td>3%</td>
<td>345</td>
<td>1%</td>
<td>36 585</td>
</tr>
</tbody>
</table>

1998* : excluding cameras
1999** : NETIA as from 1st July 1999

BY REGION

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>%</th>
<th>America</th>
<th>%</th>
<th>Africa+M.E.</th>
<th>%</th>
<th>Asia+Oceania</th>
<th>%</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998*</td>
<td>9 929</td>
<td>62%</td>
<td>4 019</td>
<td>25%</td>
<td>311</td>
<td>2%</td>
<td>1 663</td>
<td>10%</td>
<td>15 922</td>
</tr>
<tr>
<td>1999**</td>
<td>11 736</td>
<td>58%</td>
<td>5 915</td>
<td>29%</td>
<td>409</td>
<td>2%</td>
<td>2 211</td>
<td>11%</td>
<td>20 271</td>
</tr>
<tr>
<td>2000</td>
<td>19 246</td>
<td>53%</td>
<td>9 605</td>
<td>26%</td>
<td>1 206</td>
<td>3%</td>
<td>6 528</td>
<td>18%</td>
<td>36 585</td>
</tr>
</tbody>
</table>

1998* : excluding cameras
1999** : NETIA as from 1st July 1999
1. HISTORICAL BACKGROUND

The EVS Broadcast Equipment Company was founded in February 1994, by Laurent MINGUET, Pierre L’HOEST and Michel COUNSON who bought the EVS logo and some assets of an existing Company already operating in this sector. The founders of EVS aimed at finalizing equipment for the digital recording of pictures on hard disks (disk recorders) for professionals within the television industry: the Broadcasters.

In September 1995, EVS signed a contract with PANASONIC, the exclusive supplier of Broadcast equipment to the Atlanta Olympic Games, to develop a slow-motion system. This partnership led to Panasonic bringing out their first “Super Motion’ camera and to EVS developing the hard disk recorder, which provided the Olympic Games with slow motion.

In 1997, EVS opened two subsidiaries, EVS Inc in the United States and EVS Ltd in Hong Kong, to market their equipment on the American and Asian continents.

In April 1998, EVS acquired the Liège based Company VSE, worldwide known for its range of picture mosaics. Founded in 1986, VSE had worked for many years alongside EVS in design and electronic production work.

In July 1998, EVS opened a subsidiary in France in order to follow up the important developments of this market.

In October 1998, EVS was listed on the “Premier marché” of the Brussels Stock Exchange and collected 7 436 806 Euros. This amount guarantees the expansion of the company, increases its reputation and attracts top quality employees.

In 1999, EVS set up a subsidiary in Italy and one in Great Britain, as well as two offices in Argentina and Brazil.

On 7 September 1999, EVS purchased the French Company NETIA, well-known in the world of digital Radio, TV and Internet Broadcast.

At present, over 2 300 EVS and NETIA systems are in use in over 50 countries.

2. GENERAL

2.1 Registered Name
EVS Broadcast Equipment S.A.

2.2 Registered Office
Parc Scientifique du Sart-Tilman
Rue Bois St-Jean, 16
4102 Liège
Belgium.

2.3 Trade Register and VAT number
Liège Trade Register no 186.341
VAT: BE 452.080.178.

2.4 Incorporation, legal form, duration
EVS Broadcast Equipment was incorporated for an unlimited term on 17 February 1994, in the form of a joint-stock Company governed by Belgian law. EVS is a Company which does or has made public calls for savings.

2.5 Financial year
The financial year begins on 1st January and ends on 31st December of each year.

2.6 Examination of financial documents
The Company’s financial statements are filed with the “Banque Nationale de Belgique”.

Statutes and special reports required by Coordinated Laws on the Commercial Companies may be obtained from the Commercial Court registry in Liège.

These documents, as well as annual and half-year statements and any written information to shareholders are also available at the Company’s registered office.
3. OBJECT OF THE COMPANY

The objects of the Company are:

“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 sort of way in any sort of businesses, firms or companies having 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.”

4. COMMON STOCK

4.1 Issued capital, number and types of shares

On 31 December 2000, EVS share capital amounted to 16 000 000 Euros, consisting of 2 863 952 fully paid shares without nominal value.

Moreover, on 7 September 1999 and 16 May 2000, 80 000 warrants were issued to staff members of the EVS Group. On 31 December 2000, 35 600 of these warrants were granted.

4.2 Authorized capital

In accordance with decisions made at the Extraordinary General Meetings of 25 September 1998 and 7 September 1999, the Board of Directors is authorized to increase the share capital in one or more instalments up to a maximum of 15 000 000 Euros, including share premium.

This authorization is valid for a period of 3 years, on and after the date of official publishing of the proceedings on 7 September 1999.

4.3 Staff incentive programme

As mentioned under 4.1, a warrants allotment policy has been established in order to develop staff loyalty and to allow its participation in the company’s profits.

During 1999 and 2000, 35 600 warrants have been allotted. Their exercise price is 32 Euros.

These warrants may be converted from October 2003 onwards, depending on the local legislation in the concerned countries. Shares then issued will have the same rights as existing shares.

EVS intends to pursue this policy of staff incentive.

4.4 Own shares buy-back

Following the Extraordinary General Meeting of 16 May 2000, point 8 bis, paragraph 2, first dash of the statutes has been modified as follows:

“The Board of Directors is authorized [...] during 18 months as from the date of publication of the appendices to the « Moniteur Belge » of the decision of the Extraordinary General Meeting dated 16 May 2000, to buy maximum 10% of the total number of shares of the company in exchange for minimum 0.5 Euro and maximum 10% above the average of the 10 last market prices.”

The Board of Directors initiated this policy of own shares buy-back in order to support the market price and to show its confidence in the future of the company. The Board thinks that this buy-back is a good investment because of the undervaluation of the shares.

On 31 December 2000, the company had bought back 21 838 own shares in exchange for 742 492 Euros.
4.5 Recent movements in share capital

The Company was founded on 17 February 1994, with a capital of 30,986.7 Euros, consisting of 1,000 shares, and has developed as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Number of shares</th>
<th>Capital (in BEF)</th>
<th>Capital (in Euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17/02/94</td>
<td>Constitution</td>
<td>+ 1,000</td>
<td>+ 1,250,000</td>
<td>30,986.7</td>
</tr>
<tr>
<td>25/04/96</td>
<td>Incorporation of reserves</td>
<td>-</td>
<td>+ 3,650,000</td>
<td>90,481.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,000</strong></td>
<td><strong>4,900,000</strong></td>
<td><strong>121,467.8</strong></td>
</tr>
<tr>
<td>25/04/96</td>
<td>Issuing of 100 shares</td>
<td>+ 100</td>
<td>+ 490,000</td>
<td>12,146.8</td>
</tr>
<tr>
<td></td>
<td>at BEF 36,000 per share, including a share premium</td>
<td></td>
<td>+ 3,110,000</td>
<td>77,094.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,100</strong></td>
<td><strong>8,500,000</strong></td>
<td><strong>210,709.5</strong></td>
</tr>
<tr>
<td>06/06/97</td>
<td>Incorporation of reserves</td>
<td>-</td>
<td>+ 9,780,000</td>
<td>242,439.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,100</strong></td>
<td><strong>18,280,000</strong></td>
<td><strong>453,149.4</strong></td>
</tr>
<tr>
<td>06/06/97</td>
<td>Issuing of 172 shares</td>
<td>+ 172</td>
<td>+ 2,858,296</td>
<td>70,855.3</td>
</tr>
<tr>
<td></td>
<td>at BEF 175,000 per share, including a share premium</td>
<td></td>
<td>+ 27,241,704</td>
<td>675,304.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,272</strong></td>
<td><strong>48,380,000</strong></td>
<td><strong>1,199,308.9</strong></td>
</tr>
<tr>
<td>25/09/98</td>
<td>Stock split in the proportion of 2000 for 1</td>
<td>2,544,000</td>
<td>48,380,000</td>
<td>1,199,308.9</td>
</tr>
<tr>
<td>14/10/98</td>
<td>Quotation on stock market</td>
<td>+ 200,000</td>
<td>+ 3,803,400</td>
<td>94,283.8</td>
</tr>
<tr>
<td></td>
<td>Incorporation of share premium</td>
<td></td>
<td>+ 296,196,600</td>
<td>7,342,521.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>2,744,000</strong></td>
<td><strong>348,380,000</strong></td>
<td><strong>8,636,114.6</strong></td>
</tr>
<tr>
<td>07/09/99</td>
<td>Issuing of 119,952 shares</td>
<td>+ 119,952</td>
<td>+ 290,331,101</td>
<td>7,197,120.0</td>
</tr>
<tr>
<td></td>
<td>for exchange</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>with NETIA shareholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Incorporation of reserves</td>
<td>+ 6,727,299</td>
<td>+ 166,765.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital on 31 December 2000</td>
<td>2,863,952</td>
<td>645,438,400</td>
<td>16,000,000</td>
</tr>
</tbody>
</table>
## 5. SHAREHOLDERS

### 5.1 Situation on 31 Decembre 2000, as it appears from the last official statements received by the Company and the last modifications of the shareholders’ register:

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Number of shares</th>
<th>(in %)</th>
<th>In diluted % (with 80 000 issued warrants)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Linked shares</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DTV</td>
<td>968 132</td>
<td>33.8</td>
<td>32.9</td>
</tr>
<tr>
<td>Pierre L’HOEST</td>
<td>259 332</td>
<td>9.1</td>
<td>8.8</td>
</tr>
<tr>
<td>Emilia MOUCHAMPS (P.L’HOEST’s wife)</td>
<td>41 000</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Laurent MINGUET</td>
<td>259 332</td>
<td>9.1</td>
<td>8.8</td>
</tr>
<tr>
<td>Martine GEILENKIRCHEN (L.MINGUET’s wife)</td>
<td>41 000</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Michel COUNSON</td>
<td>83 506</td>
<td>2.9</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>SUB-TOTAL for linked shares</strong></td>
<td>1 652 302</td>
<td>57.7</td>
<td>56.1</td>
</tr>
<tr>
<td>CYTINDUS S.A.</td>
<td>127 200</td>
<td>4.4</td>
<td>4.3</td>
</tr>
<tr>
<td>ALPHA INTERNATIONAL INVESTMENTS S.A.</td>
<td>100 000</td>
<td>3.5</td>
<td>3.4</td>
</tr>
<tr>
<td>BBL</td>
<td>159 568</td>
<td>5.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Public and Misc.</td>
<td>824 882</td>
<td>28.8</td>
<td>28.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2 863 952</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

DÉVELOPPEMENT TECHNOLOGIQUE VIDÉO (DTV) is a Holding Company, whose purpose is the management and financing of companies in which it holds a stake. It is owned equally by Pierre L’HOEST, Laurent MINGUET and Michel COUNSON.

CYTINDUS S.A. is an investment Company essentially owned by Michel DELLOYE and founded in 1997 with the purpose of investing in expanding companies, actively contributing to their long-term management.

ALPHA INTERNATIONAL INVESTMENTS S.A. is a capital liability fund owned by FORTIS group whose purpose is to acquire shares in rapidly expanding companies.

On 31 December 2000, there are 1 095 354 registered shares of which 968 132 are owned by DTV, 127 200 by CYTINDUS S.A. and 22 by four shareholders. There are 1 768 598 bearer shares, included 275 000 physical bearer shares.
The company was floated on the "Premier marché" of the Brussels Stock Exchange in October 1998 at a price of 37.2 Euros. EVS shares are quoted continuously and form part of the "Electronic Equipment" sector, which also includes the companies AGFA-GEVAERT, BARCO, BARCONET and IPSO-LSG.

After the euphoric period at the beginning of 1999, the company’s valuation has returned to a more reasonable Price Earning Ratio (P/E) : this declined from 39 (31/12/98) to 27.5 (31/12/99). Due to stock market trends and a certain loss of interest in "small caps" the Company is currently undervalued, considering its excellent fundamentals and the record year it achieved in 2000 : the P/E ratio was 15.4 as of 31 December 2000.

The number of shares traded per month over the year 2000 rose to an average of 46,137. The maximum price achieved was 43 Euros and the minimum price 28 Euros.

In order to encourage the liquidity of the share and avoid major fluctuations in its price, a market stimulation contract was concluded in October 2000 with the Company "REYERS-BEAUVOIS-DE VILLEN-FAGNE". This stockbroking house is also charged with the acquisition of the Company’s own shares within the limits fixed at the Extraordinary General Meeting on 16 May 2000.

The creation of EURONEXT will give the company access to a much larger market and will allow the EVS Group to be compared with companies operating in the same sector. The remarkable performance of the company, its presence on the French market (thanks in particular to its subsidiary NETIA) and the highly international nature of its customers (98 % of sales) will be indisputable assets for the company in its efforts to position itself within an extended market.

EVS has already been selected to form part of the "Next Economy" segment, it meets most of the very strict entry criteria. Quarterly accounts will be published once EURONEXT gets under way.

EVS has decided to intensify its presence on the French market with immediate effect : a contract has been concluded with a Paris based Company which specializes in financial communication, and the results for the year 2000 were announced in Paris in front of a large audience of journalists and analysts.
EVS was founded in 1994 and underwent a phase of rapid expansion from 1997 onwards. Shares were listed on the Brussels stock market in October 1998. The R&D, Production, Sales and Administrative departments are housed in buildings at Sart-Tilman (Belgium), where most of the personnel are based.

NETIA, acquired in September 1999, and based near Montpellier (France), presently achieves the major portion of its turnover in the sales of products designed for radio and diversifies more and more in Video and Internet. This Company is managed by its two founders, Christophe CARNIEL and Pierre KEIFLIN.

The subsidiaries in the USA, Hong Kong, France, England, Italy, South America and Australia are limited to the promotion and marketing of EVS products.

VSE S.P.R.L., taken over in April 1998, is in charge of the hardware part of the equipment sold by EVS: it is housed in the building next to EVS’s and is managed by Michel COUNSON, who is the Company’s founder. EVS and VSE, closely linked, decided to merge on 1st January 2001.

This situation within the EVS Group as well as the Company’s relative youth explain why management structures remain few in number. Management and Board of Directors are mostly made up of the same persons and it would be pointless to multiply structures with same people.

Moreover it is difficult to find independent key personalities with a wide professional knowledge of the Broadcast field though not involved in the purchasing process of EVS or NETIA equipment. It is thus sometimes difficult to comply strictly in this area with the recommendations of the Commission for Banking and Finance and of the Belgian Commission for Corporate Governance. However, the Directors of EVS are aware improvements could be made. In 2000, the important growth of the sales (+75%) and the increase of the personnel (+26%) required new working structures such as the creation of new departments, co-ordination between R&D and Products departments, long and short term R&D strategy, strategic committee,... So, it was not possible to focus on the creation of new working structures within the Board of Directors or on making contacts with key persons. However Laurent LEVAUX has been appointed as independent director at the General Meeting of 27 December 2000 and Jean-Paul FONTAINE will be recommended as independent Director at the General Meeting of 15 May 2001.
1. BOARD OF DIRECTORS

A Board of Directors, whose members are appointed for a term of 6 years maximum, runs the Company.

At the General Meeting of 25 September 1998, the following members were appointed or approved:
- the Company's founders: Laurent MINGUET, Michel COUNSON and Pierre L’HOEST,
- the S.A. ALPHA INTERNATIONAL INVESTMENTS (ex ISEP), shareholder in the Company,
- the S.A. BANQUE BRUXELLES LAMBERT, shareholder in the Company, represented by Arnaud LAVIOLETTE, Head of Investment Banking
- the CYTINDUS S.A., shareholder in the Company, represented by Michel DELLOYE,
- Francis BODSON, independent director,
- Sylvain ANICHINI, independent director.

Two new directors were appointed at the Extraordinary General Meeting of 7 September 1999:
- Jean DUMBRUCH, shareholder in the Company,
- Christophe CARNIEL, shareholder in the Company.

At the Extraordinary General Meeting of 27 December, a new director was appointed:
- Laurent LEVAUX, independent director.

Jean-Paul FONTAINE, co-founder of the recruitment company FONTAINE.ARCHER.VAN DE VOORDE, will be recommended as independent director at the next General Meeting of 15 May 2001.

Sylvain ANICHINI, member of the General Management staff and technical manager of RADIO-FRANCE, resigned after EVS’s acquisition of NETIA, RADIO-FRANCE being one of NETIA main customers.

The S.A. ALPHA INTERNATIONAL INVESTMENTS, subsidiary of the FORTIS group, no longer wishes to be part of the Board of Directors of companies in which it holds a stake: its resignation was acknowledged in December 1999.

The new directors are co-opted by the existing Board of Directors without any formal procedure.
Michel COUNSON (41)
Chairman of the Company since it was founded in 1994. He graduated in 1982 from the "Institut Electronique" in Liège. He became a hardware engineer in 1983 with TECHNIQUE DIGITAL VIDEO S.A. before founding his own Company in 1986, VIDEO SYSTEM ENGINEERING S.P.R.L., working in partnership with EVS on numerous projects. Michel Counson is also the Manager of VSE S.P.R.L. He has acquired a significant share in EVS capital. Working beside Pierre L'HÖEST and Laurent MINGUET, he is part of the management team of the EVS Group and is Manager of the VSE subsidiary.

Pierre L'HÖEST (43)
Managing Director of the Company since it was founded in 1994. He graduated from the "Académie d'Architecture" (Academy of Architecture) in Liège as an architect specialized in computer processing and 3D modelling. From 1984 on, he acquired a wide experience in video simulation production. He was involved in the foundation of EVS in 1994 following the purchase of the Company's assets and is Head of the Research and Development department together with Laurent MINGUET, as well as of Production and Sales within the European Union.

Laurent MINGUET (42)
Managing Director of the Company since it was founded in 1994. He graduated in 1982, as a physicist engineer from the University of Liège, specialized in digital analysis. With Pierre L'HÖEST, he contributed to the founding of EVS in 1994 and is in charge of the Research and Development department. He is also in charge of Administration and Sales outside the European Union.

Jean DUMBRUCH (49)
Having played an active role in the Company since it was founded, Jean DUMBRUCH graduated as an engineer in electronics. He is Director of several companies and is now the Company's financial and administrative Manager.

CYTINDUS S.A.
Director of EVS since June 1997, represented by Michel DELLOYE. From 1996 to 1999, Michel DELLOYE ran his own investment advisory Company in Belgium. From 1992 to 1996 he was Managing Director of the “Compagnie Luxembourgeoise de Télédiffusion” (CLT-UFA), the largest European TV and Radio broadcasting Company. He had previously worked in various positions (Financial Manager, General Manager) for the Bruxelles Lambert Group.

Banque BRUXELLES LAMBERT
Director since June 1997, represented by Arnaud LAVIOLETTE, Head of the Investment Banking Department.

Francis BODSON (54)
Director since 25 September 1998. Francis Bodson is now responsible for the technical management of CANAL+ Belgium, a position he has been holding since this Company was founded in 1988. He is also Development Manager within this Company, having previously held the position of IT Manager when the Company was first set up. He was Engineering Manager at the RTBF ("Radio Télévision Belge de service de la Communauté Française de Belgique")* for fifteen years (1973-1988). He graduated as a civil engineer in electronics at the University of Liège and specialized in acoustics.

Christophe CARNIEL (34)
Director since 7 September 1999, Christophe CARNIEL is currently the Chairman Managing Director of NETIA. He holds an engineering degree from the "Ecole des Mines" in Alès. Christophe CARNIEL has been working for three years for the FNAC chain of stores as Project Manager for a Company responsible for the development of interactive record playing terminals. In 1993, he decided to found NETIA with Pierre KEIFLIN, who also holds an engineering degree from the "Ecole des Mines".

Laurent LEVAUX (45)
Director since 27 December 2000, Laurent LEVAUX is Managing Director of CMI, subsidiary of USINOR, and lecturer at Hautes Ecoles Commerciales of Liège. He is also director in other Belgian enterprises. He holds a degree in Economics from the University of Louvain and a MBA from the University of Chicago.

* RTBF – Belgian Radio & TV, a public service of the Belgian French-speaking community.
2. HOW THE BOARD OF DIRECTORS WORKS

According to the Company’s statutes, decisions are taken by a majority vote but, up to now, decisions have been taken on the basis of general agreement between the present directors.

At each Board Meeting, or enclosed with the notifications to attend, the members are provided with various documents:
- documents showing sales orders and monthly invoicing,
- breakdown of sales by country and product,
- written information concerning the items on the agenda.

The Board of Directors discusses and takes decisions on all matters within its competence. In 2000, it met 7 times and discussed the following matters:
- preparing press releases,
- R&D developments,
- follow-up of the subsidiaries,
- own shares buy-back and contract with a liquidity provider,
- examining acquisition and partnership projects,
- budget for 2001,
- merger EVS/VSE.

The foreign offices are easily controllable since their activity entirely depends upon EVS Belgium (Liège) or NETIA France (Montpellier) : delivery of promotional goods, trade fairs, delivery of equipment or spare parts, treasury, etc.

Control is done by the people in charge of Sales and Production departments. Administrative and financial follow-up is ensured by Jean DUMBRUCH who refers to the Board. The VSE subsidiary is managed by Michel COUNSON who reports on necessary items during Board Meetings. In order to relieve him from the administrative work, EVS took over VSE on 1st January 2001.

The reporting of NETIA is done by Christophe CARNIEL. NETIA, for its part, has its own Board of Directors in charge of the day-to-day management and whose members are: Christophe CARNIEL, Pierre KEIFLIN, Pierre LHOEST, Laurent MINGUET, Jean DUMBRUCH, Michel COUNSON.

Auditing of EVS Broadcast Equipment financial and consolidated statements is carried out by ERNST & YOUNG, Company Auditors S.C.C. (B160), represented by Philippe PIRE, Partner.

Remuneration received by ERNST & YOUNG for their services in 2000 amounted to 31,314 Euros.

Each Director receives remuneration of 2,500 Euros per year, plus a fixed amount each time they attend a Board Meeting: 125,- Euros (travelling within Belgium) or 500,- Euros (travelling abroad). Beside a total of 7,500 warrants allotted to one of them, none of the directors benefits of any stock options or any other advantage connected or otherwise with the Company’s performances. The total amount of remuneration paid in 2000 by the EVS Group to the members of the Board of Directors comes to 493,600 Euros.

As it appears from the last statements received by the company and the last modification of the shareholders’ register, the members of the Board of Directors held, on 31 December 2000, directly or indirectly 1,939,070 shares out of a total of 2,863,952.

3. COMMITTEES SET UP BY THE BOARD OF DIRECTORS

Up to now, no internal committee has been set up within the Board of Directors, for the reasons given above. For specific matters, groups of 2 to 3 people are set up within the Board to collect information and make proposals, as was the case in 2000 for the selection of new Directors, the merger EVS/VSE, the preparation of the management report.
4. Day-to-day Management

Day-to-day management is the responsibility of the following persons:
- VSE : Michel COUNSON,
- NETIA : Christophe CARNIEL and Pierre KEIFLIN,
- EVS and other subsidiaries : Pierre L’HOEST, Laurent MINGUET and Jean DUMBRUCH.

Many tasks are delegated to members of the administrative staff. General reorganisation of management and control is in progress, parallel to the implementation of an ERP software. The software modules started running at the beginning of 2001 and the implementation will go on throughout the year.

General management is the responsibility of Laurent MINGUET and Pierre L’HOEST.

Total remuneration paid to management staff (Pierre L’HOEST, Laurent MINGUET, Christophe CARNIEL, Michel COUNSON, Jean DUMBRUCH) over the year 2000 amounted to 481.8 thousands Euros.

Management committee

In 1999, a management committee was set up and includes the people responsible for the various departments within the Company:
- Yves ROLUS (Sales), Henry ALEXANDER (Sales), Thierry DELBROUCK (Production), Jean-Noël GOOR (R&D), Jérôme WAUTHOZ (R&D), Emmanuelle BOTHY (Finance), Bernard STAS (Products), Pierre L’HOEST and Laurent MINGUET.

The management committee takes decisions on all matters related to the Company’s internal organization. Points already raised include:
- review of salary policy,
- finalization of appraisal process and documents,
- appointment of a human resource manager,
- subscription of a health insurance for the personnel,
- improving internal communication (information for the staff),
- reorganization and relocation of offices,
- establishment of marketing department and strategic committee,
- organizing trade fairs, demonstrations, etc.

The management committee meets once or twice a month, on Fridays at 12.30 p.m.

Excluding the two Directors of this committee:
- total gross remuneration paid in 2000 to the members of the Management Committee amounted to 533 thousands Euros,
- total number of warrants held by these members amounts to 3 300 on 31 December 2000.

5. Profit Appropriation Policy

The Board of Directors examines the results of the last financial year and proposes at its Annual General Meeting to distribute those profits 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 will respect the Company’s investment and acquisition requirements.

In the IPO prospectus of October 1998, EVS announced dividends of around 30% of consolidated net profit from operations. The sound financial position allowed EVS to meet its commitments in 1998 (0.5 Euro per share, i.e. 30%) and in 1999 (0.4 Euro per share, i.e. 28%).

The Board will propose at the Ordinary General Meeting of 15 May 2001 a dividend of 0.64 Euro per share, i.e. 30% of net profit from operations. This decision emphasizes the quality of the company and its capacity for making profit, paying dividends and going on with investments.
SUBSIDIARIES AND BRANCHES

NEW YORK
RIO DE JANEIRO
BUENOS AIRES
LONDON
LIEGE
PARIS
MONTPELLIER
MILANO
HONG KONG
SYDNEY
GENERAL

EVS Broadcast Equipment S.A. (Belgium) invoices directly the end customer except in Hong Kong and in the United States where, for business reasons, invoices go through the subsidiary (USA) or the Branch (Hong Kong).

VSE S.P.R.L. – more than 97% of its turnover is with EVS Broadcast Equipment S.A. for the supply of electronic boards. EVS and VSE merged on 1st January 2001.

VSE S.P.R.L. – Liège – Belgium
Company bought in 1998, our main supplier and designer of electronic boards.
Participating interests of EVS S.A: 100 %
The merger EVS/VSE took place on 1st January 2001.
The activities and the personnel were taken over by EVS.
Personnel as of 31 December 2000 : 13

NETIA S.A. has its own network of branches, distributors and agents. NETIA invoices either the final customer or the distributor, except in the U.S. where invoices go through the subsidiary, NETIA Inc.

VSE S.P.R.L. – Liège – Belgium
Company bought in 1998, our main supplier and designer of electronic boards.
Participating interests of EVS S.A: 100 %
The merger EVS/VSE took place on 1st January 2001.
The activities and the personnel were taken over by EVS.
Personnel as of 31 December 2000 : 13

SUBSIDIARIES AND BRANCHES

EVS Broadcast Equipment Inc. – New Jersey - USA
Company founded in 1997 to market our products in North and Central America.
Participating interests of EVS Broadcast Equipment S.A : 100 %

Turnover (in thousands Euros) : 1997 : 1 083
1998 : 2 526
1999 : 4 651
2000 : 5 323

Personnel as of 31 December 2000 : 4

EVS Broadcast Equipment (Branch) – Hong Kong
Company founded in 1997 to market our products in the Far East and Oceania.

Turnover (in thousands Euros) : 1997 : 297
1998 : 707
1999 : 1 650
2000 : 5 482

Personnel as of 31 December 2000 : 4

EVS France S.A. – Paris – France
Company founded in 1998 to strengthen our position on the French market.
Participating interests of EVS S.A : 99.76 %
Personnel as of 31 December 2000 : 3

EVS Italia S.r.l. – Milano – Italy
Company founded in 1999 to strengthen our position on the Italian market.
Participating interests of EVS S.A : 95 %
Personnel as of 31 December 2000 : 1

EVS Broadcast UK Ltd – London – Great Britain
Company founded in 1999 to strengthen our position on the British market.
Participating interests of EVS S.A : 100 %
Personnel as of 31 December 2000 : 1

EVS Branch – Buenos Aires – Argentina
Set up in 1999 to market our products in Argentina and surrounding countries.
Personnel as of 31 December 2000 : 1

EVS Branch – Rio de Janeiro – Brazil
Set up in 1999 to market our products in Brazil.
Personnel as of 31 December 2000 : 1
SUBSIDIARIES AND BRANCHES

NETIA S.A. – Montpellier – France
Company purchased on 7 September, 1999 (consolidated since 1st July, 1999), edits software for the audiovisual sector (Radio, TV, Internet).
Participating interests of EVS S.A.: 99.90%
Turnover (in thousands Euros): 1999: 5,244
2000: 8,766
Personnel as of 31 December 2000: 66 (including 8 in Paris and 4 commercial staff in branches).

www.netia.net

NETIA Inc – New York – USA
Opened in May 2000 (branch opened in August 1998)
Personnel as of 31 December 2000: 1

NETIA Branch – Paris – France
Opened in November 1999
Personnel as of 31 December 2000: 8

NETIA Branch Asia – Hong Kong
Opened in March 1998
Personnel as of 31 December 2000: 1

NETIA Branch Pacific Australia – Sydney – Australia
Opened in September 1999
Personnel as of 31 December 2000: 1

NETIA Benelux – Liège – Belgium
Opened in November 2000
Personnel as of 31 December 2000: 1

INVESTMENTS / PARTICIPATIONS

FAR S.P.R.L. – Villers-le-Bouillet – Belgium
Investment acquired in April 1999
Participating interests of EVS S.A.: 49.75%
Personnel as of 31 December 2000: 8

www.far-audio.com

MECALEC SMD S.A. – Liège – Belgium
Investment acquired in October 1999
Participating interests of EVS S.A.: 49.5%
Personnel as of 31 December 2000: 10

FAIRLIGHT ESP Pty - Sydney - Australia
Investment acquired in April 1999
Participating interests of EVS S.A.: 2.2%

www.fairlightesp.com.au