PRESS RELEASE

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Regulated information
EVS Broadcast Equipment SA: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVSB.BR)

EVS REPORTS FIRST QUARTER 2014 RESULTS

- **1Q14 highlights**
  - Revenue of EUR 29.3 million, in line with management's cautious message in February, reflecting soft economic environment in the broadcast industry
  - EBIT of 10.0 million (34.1% EBIT margin), EPS of EUR 0.53
  - Successful EVS showcase at the Winter Games in Sochi
  - New products launches at NAB tradeshow (incl. new XS server) welcomed by customers, solidifying EVS product category leadership

- **2014 highlights**
  - Spring order book of EUR 44.9 million on May 10, 2014
    - +14.6% vs. 2013, excluding big events
    - In addition, EUR 10.7 million order book for 2015 and beyond
  - If market conditions do not improve, the revenue in 2014 (incl. EUR 10-12 million big event rentals) is expected to grow at high single digit compared to 2013
  - 10-15% expected opex growth mainly related to investments in new technologies

- **Total dividend of EUR 2.16, resulting in a payout ratio of 85.7% and a dividend yield of 4.4% (in line with average over the last years)**

KEY FIGURES

EUR millions, except earnings per share expressed (EUR)	Unaudited			
	1Q14	4Q13	1Q13	1Q14/1Q13
Revenue	29.3	38.5	32.8	-10.6%
Gross margin	22.0	28.2	26.0	-15.5%
Gross margin %	*74.9%*	*73.3%*	*79.2%*	-
Operating profit – EBIT	10.0	15.9	14.5	-30.7%
Operating margin – EBIT %	*34.1%*	*41.3%*	*44.0%*	-
Contribution from dcinex	0.1	(0.2)	-0.2	N/A
Net profit (Group share)	7.1	10.7	10.0	-29.2%
Basic earnings per share (Group share)	0.53	0.80	0.75	-29.5%

COMMENTS

"In a market that is not better than last year, we have made significant progress in our different projects, targeting our four markets: Sports, Entertainment, News and Media. The Winter Olympics in Sochi was an important success and, once again, our teams can be proud of the new functionalities they delivered there. In a few weeks, the World Cup will start in Brazil, with again a crucial involvement of EVS in the TV production of this event, including the creation of many new content packages for the recently developed multimedia delivery platform", said Joop Janssen, Managing Director & CEO of EVS. "We had a very positive feedback at the NAB tradeshow in April (Las Vegas) on our new product launches. We will continue to invest in our future growth, as we are confident in our strategy, by developing solutions for cloud and IP-network-based production workflows. This way, when market conditions improve, we will be in a good place to leverage our strong competitive position."

Commenting on the results and prospects, Magdalena Baron, CFO, said: "The EUR 29.3 million revenue in 1Q14 reflects the continued softness in our industry in 2014, in line with the cautious message we gave in February. Lower sales, combined with the increase in operating expenses, led to a 34.1% EBIT margin. Given the current trading environment, if market conditions do not improve, the revenue in 2014 is expected to grow at high single digit compared to 2013. While operating expenses growth is still expected at 10-15% for 2014, relating to the investments in new technologies, we further increase cost control and selectively invest in the important developments linked to our growth opportunities"

Revenue in 1Q14

EVS revenue amounted to **EUR 29.3 million** in 1Q14, a decrease of 10.6% compared to 1Q13 (-17.4% at constant currency and excluding the big events rentals). Sales in **Sports** decreased by 30.2**%** (-29.3% at cst exch. rate) to EUR 19.0 million, representing 64.6% of total group sales in 1Q14. **ENM** sales increased by 38.9% to EUR 7.8 million (+39.9% at cst exch. rate), representing 26.7% of total sales in 1Q14. There were EUR 2.5 million of **rentals relating to big sporting events** in 1Q14, compared to EUR 0.0 million in 1Q13, representing 8.7% of EVS revenue.

Revenue – EUR millions	1Q14	1Q13	% 1Q14/ 1Q13
Total reported	29.3	32.8	-10.6%
Total at constant currency	29.6	32.8	-9.7%
Total at constant currency and excluding big event rentals	**27.1**	**32.8**	**-17.4%**

Geographically, sales (excl. big event rentals) have evolved in 1Q14 as follows:
- Europe, Middle-East and Africa ("**EMEA**"): EUR 13.2 million (-7.1% compared to 1Q13, at constant currency);
- "**Americas**": EUR 8.1 million (+0.4% compared to 1Q13, at constant currency);
- Asia & Pacific ("**APAC**"): EUR 5.5 million, or -46.5% at constant currency.

Operating results in 1Q14

Consolidated gross margin was 74.9% for 1Q14 (compared to 79.2% in 1Q13) due to the deleverage effect of lower sales, some reclassification between R&D and cost of goods sold, and write-offs. Operating expenses increased by 3.0%, mainly due to some additional costs in 2014 that include the investment in DYVI Live/SVS, partially offset by positive movements in bad debt position. This leads to a **1Q14 EBIT margin of 34.1%**, compared to 44.0% last year. dcinex contributed a profit of EUR 0.1 million to EVS net results in 1Q14. Group net profit amounted to EUR 7.1 million in 1Q14, compared to EUR 10.0 million in 1Q13, while net profit from operations, excluding dcinex, was EUR 7.3 million in 1Q14. **Basic net profit per share amounted to EUR 0.53 in 1Q14**, compared to EUR 0.75 for 1Q13.

Staff

At the end of March 2014, EVS employed 497 people (FTE), showing growth of 2.3% compared to the end of 2013 (486). On average, EVS employed 491 FTE in 1Q14, compared to 466 in 1Q13, a 5.4% increase. The main increase is due to more R&D including 17 people in the new fully consolidated Dyvi Live/SVS entities. One third of EVS' headcount is located outside Belgium.

Balance sheet and cash flow statement

Total equity represented 63.7% of total balance sheet at the end of March 2014. Inventories amounted to EUR 17.9 million at the end of March, including around EUR 4.0 million value of own equipment used for own R&D and demos of EVS successful products. Inventories were slightly higher than at the end of 2013, as they already include some equipment to be used during the World Cup. In the liabilities, provisions include mainly the provision for technical warranty on EVS products for labor and parts.

At the end of 2011, EVS started the construction of a new integrated building in the proximity of its current location in Liège, in order to gather all employees of EVS headquarters, split today in 6 different buildings. EUR 31.7 million have been invested by the end of March 2014 (less EUR 4.2 million of subsidies booked at the same date). The total budget for the project (including some higher investments in future-proof equipment) is estimated between EUR 55 and EUR 60 million. In November 2013, EVS secured the financing of the new building through senior debt of EUR 24 million with EIB (50%), ING (25%) and BNPPF (25%) over 7 years. In May 2014, EVS has added EUR 12 million of available loan facilities (50% ING and 50% BNPPF) to satisfy the short term cash needs relating to the new building. At the end of March 2014, a total of EUR 8.0 million have been drawn on available facilities.

The net cash from operating activities amounted to EUR 12.8 million in 1Q14. On March 31, 2014, the group balance sheet showed **EUR 23.1 million in cash and cash equivalents**, and EUR 9.3 million in financial long-term debts (including short term portion of it).

At the end of March 2014, there were 13,625,000 EVS outstanding shares, of which 56,664 were owned by the company. At the same date, 343,050 warrants were outstanding with an average strike price of EUR 39.93 and an average maturity in 2016.

Final dividend

The Board has proposed a total gross EUR 2.16 dividend (including the EUR 1.16 interim) to the Ordinary General Meeting of Shareholders to be held next May 20, 2014, implying a final gross dividend of EUR 1.00 to be paid next June 2, 2014 (ex-date May 28). The dividend proposal (18.2% lower than 2012) takes into account the 18.5% decrease of net profit in 2013, an uneven year, the reviewed budget for the new headquarters (between EUR 55 million and EUR 60 million), mainly due to higher investments in future-proof equipment, the willingness to keep some financial flexibility if the company needs to accelerate investments for growth and the cautiousness of the EVS management relating to the short term market conditions. EVS dividend policy aims at paying a high portion of the net profit, taking into account the cash needed to finance the company's growth, and with a maximum pay-out ratio of 100%, while keeping the option open to pay interim dividend. This EUR 2.16 dividend represents a pay-out ratio of 85.7% (in line with average of last 10 years) and a dividend yield of 4.4% (gross dividend divided by average share price in 2013).

Long-term drivers and strategy

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

Outlook 2014

The **spring order book** on May 10, 2014 amounts to **EUR 44.9 million**, which is 36.9% higher compared to EUR 32.8 million on the same date one year ago (+14.6% vs last year, excl. big event rentals). The order book includes EUR 7.3 million for big events rentals for the 2014 Soccer World Cup (Brazil). Sports represent 55.5% of the order book. In addition to this order book to be invoiced in 2014, EVS already has EUR 10.7 million orders to be invoiced in 2015 and beyond (compared to EUR 10.1 million last year).

In Sports, the company consolidates its market share position. In ENM, EVS plans continued market share gains including significant new customer wins.

The current market conditions in the broadcast industry have not yet improved and could translate into revenue growing in 2014 at high single digit compared to last year. Big sporting events are expected to bring around EUR 10-12 million rental revenues in 2014. Additional short-term investments in the development of new IP video network and Cloud-based technologies, leading to Opex growth between 10% and 15% in 2014, should result in medium to long term profitable growth.

Shareholders Meeting

A Combined General Meeting is planned next Tuesday May 20, 2014 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.

Additional fiscal advantage for French shareholders

The new Equity Savings Plan for Small and Medium Size Enterprises in France complements the classical Equity Savings Plan ("ESP") which enables individuals to manage their equities portfolio. The ESP-SME shares the same advantages as the ESP: dividends and capital gains are exempted from income taxes in so far as they are reinvested in the Plan during 5 years.
Companies eligible for such a regime are SME and Mid-cap companies with less than 5,000 employees and with revenues below EUR 1.5 billion or a total balance sheet of less than EUR 2 billion. EVS satisfies all these criteria and is, therefore, eligible.

Corporate Calendar

Tuesday May 20, 2014: Combined General Meeting
Wednesday May 28, 2014: Final dividend: ex-date
Friday May 30, 2014: Final dividend: record date
Monday June 2, 2014: Final dividend: payment date
Friday June 20, 2014: postponed Extraordinary General Meeting
Thursday August 28, 2014: 2Q14 earnings
Tuesday November 18, 2014: 3Q14 earnings

EVS will hold today a conference call in English at 3:00 pm CET (please contact corpcom@evs.com to receive the dial-in number and the presentation). It will be attended by Joop Janssen, CEO, Magdalena Baron, CFO and Geoffroy d'Oultremont, VP IR.

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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 offices in Europe, the Middle East, Asia and North America. Approximately 497 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	1Q14 Unaudited	4Q13 Unaudited	1Q13 Unaudited
Revenue	5.4	**29,342**	38,524	32,817
Cost of sales		-7,371	-10,281	-6,815
Gross profit		**21,971**	**28,243**	**26,002**
Gross margin %		**74.9%**	**73.3%**	**79.2%**
Selling and administrative expenses		-5,387	-5,822	-5,565
Research and development expenses	5.8	-6,287	-6,048	-5,815
Other revenue		51	121	96
Other expenses		-40	-163	-44
Stock based compensation and ESOP plan		-136	-145	-77
Amortization and impairment on goodwill, acquired technology and IP		-163	-288	-146
Operating profit (EBIT)		**10,009**	**15,898**	**14,452**
Operating margin (EBIT) %		**34.1%**	**41.3%**	**44.0%**
Interest revenue on loans and deposits		49	64	71
Interest charges		-74	-66	-65
Other net financial income / (expenses)	5.9	-29	-147	187
Share in the result of the enterprise accounted for using the equity method	5.11	171	-191	-142
Profit before taxes (PBT)		**10,126**	**15,558**	**14,503**
Income taxes	5.10	-3,294	-5,036	-4,467
Net profit from continuing operations		**6,831**	**10,522**	**10,036**
Net profit		**6,831**	**10,522**	**10,036**
Attributable to :				
Non controlling interests		-278	-207	-4
Equity holders of the parent company		**7,109**	10,729	10,040
Net profit from operations, excl dcinex – share of the group (1)	**5.3**	**7,261**	**11,543**	**10,435**

EARNINGS PER SHARE *(in number of shares and in EUR)*	**5.7**	**1Q14 Unaudited**	**4Q13 Unaudited**	**1Q13 Unaudited**
Weighted average number of subscribed shares for the period less treasury shares		13,512,896	13,491,636	13,459,246
Weighted average fully diluted number of shares (2)		13,911,547	13,911,936	13,895,847
Basic earnings – share of the group		**0.53**	**0.80**	**0.75**
Fully diluted earnings – share of the group (2)		**0.51**	**0.77**	**0.72**
Basic net profit from operations, excl. dcinex – share of the group		**0.54**	**0.86**	**0.78**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	1Q14 Unaudited	4Q13 Unaudited	1Q13 Unaudited
Net profit	**6,831**	**10,522**	**10,036**
Other comprehensive income of the period			
Currency translation differences	25	-184	185
Other increase/(decrease)	313	-416	376
Total comprehensive income for the period	**7,169**	**9,922**	**10,597**
Attributable to :			
Non controlling interests	-278	-207	-4
Equity holders of the parent company	7,447	**10,129**	**10,601**

(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 the note 5.3: use of non-gaap financial measures.
(2) Excluding 231,100 warrants that were not exercisable at the end of March 2014, fully diluted earnings per share in 1Q14 would have been EUR 0.52 (see also note 5.6).

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

ASSETS (EUR thousands)	**Note**	**March 31, 2014 Unaudited**	**Dec. 31, 2013 Audited**
Non-current assets :			
Goodwill		1,326	1,393
Acquired technology and IP		0	96
Other intangible assets		607	630
Lands and buildings	5.15	35,146	31,855
Other tangible assets		1,724	1,843
Investment accounted for using equity method	5.11	8,651	8,480
Subordinated loans	5.11	1,330	1,330
Other financial assets		254	252
Total non-current assets		**49,038**	**45,878**
Current assets :			
Inventories		17,881	16,193
Trade receivables		27,547	29,535
Other amounts receivable, deferred charges and accrued income		5,819	5,569
Cash and cash equivalents		23,053	11,750
Total current assets		**74,299**	**63,048**
Total assets		**123,338**	**108,926**

EQUITY AND LIABILITIES (EUR thousands)	**Note**	**March 31, 2014 Unaudited**	**Dec. 31, 2013 Audited**
Equity :			
Capital		**8,342**	**8,342**
Reserves		72,167	80,395
Interim dividends		0	-15,650
Treasury shares		-2,137	-5,029
Total consolidated reserves		**70,030**	**59,716**
Translation differences		-35	-60
Equity attributable to equity holders of the parent company		**78,338**	**67,998**
Non-controlling interest		**191**	**469**
Total equity	**4**	**78,528**	**68,466**
Long term provisions		1,249	1,254
Deferred taxes liabilities		1,259	1,043
Financial long term debts	5.15	8,257	8,282
Non-current liabilities		**10,765**	**10,579**
Short term portion of financial long term debts		1,042	1,791
Trade payables		6,190	5,446
Amounts payable regarding remuneration and social security		9,432	9,257
Income tax payable		6,879	4,666
Other amounts payable, advances received, accrued charges and deferred income		10,501	8,721
Current liabilities		**34,044**	**29,881**
Total equity and liabilities		**123,338**	**108,926**

ANNEX 3: CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR thousands)	Note	1Q14 Unaudited	1Q13 Unaudited
Cash flows from operating activities			
Operating Profit (EBIT)		10,009	14,452
Adjustment for non cash items :			
- Depreciation and write-offs on fixed assets		722	815
- Stock based compensation and ESOP	1, 4	136	77
- Provisions and deferred taxes increase (+)/ decrease (-)		211	-343
		11,078	**15,001**
Increase (+)/decrease (-) of cash flows			
- Accounts receivable		1,989	2,789
- Inventories		-1,688	358
- Trade debts		744	1,283
- Remuneration, social security and taxes debts		2,388	3,335
- Other items of the working capital		1,503	1,219
Cash generated from operations		*16,014*	*23,985*
Interest received		48	71
Income taxes	5.10	-3,294	-4,467
Net cash from operating activities		**12,767**	**19,589**
Cash flows from investing activities			
Purchase (-)/disposal (+) of intangible assets		-133	-29
Purchase (-)/disposal (+) of property, plant and equipment		-3,576	-3,478
Purchase (-)/disposal (+) of other financial assets		-2	-584
Net cash used in investing activities		**-3,711**	**-4,091**
Cash flows from financing activities			
Operations with treasury shares	4, 5.6	2,892	511
Other net equity variations		203	-364
Interest paid		-74	-65
Movements on borrowings	5.15	-775	-3
Interim dividend paid	4, 5.5	-	-
Final dividend paid	4, 5.5	-	-
Net cash used in financing activities		**2,246**	**79**
Net increase (+)/ decrease (-) in cash and cash equivalents		**11,302**	**15,577**
Cash and cash equivalents at beginning of period		**11,750**	**21,426**
Cash and cash equivalents at end of period		**23,053**	**37,004**

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, 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**

(EUR thousands)	Issued capital	Other reserves	Treasury shares	Currency translation differences	Equity attributable to shareholders of the parent company	Non controlling interest	Total equity
Balance as per December 31, 2013	**8,342**	**64,745**	**-5,029**	**-60**	**67,998**	**469**	**68,466**
Total comprehensive income for the period		7,422		25	7,447	-278	7,169
Share-based payments					0		
Operations with treasury shares			2,892		2,892		2,892
Balance as per March 31, 2014	**8,342**	**72,167**	**-2,137**	**-35**	**78,339**	**191**	**78,528**

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 month-period ended March, 2014, 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 2013 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the 2013 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)	**1Q14**	**1Q13**
Net profit attributable to equity holders of the parent company – IFRS	7,109	10,040
Stock Option Plan	136	77
Amortization and impairment on acquired technology and IP	163	146
Amortization/impairment on Tax Shelter rights assets	-	5
Contribution of dcinex	-146	167
Net profit from operations, excl. dcinex	**7,261**	**10,435**

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

By consequence, the company is composed of one segment according to the IFRS 8 definition, and the consolidated income statement of the group reflects this unique segment. However, it does not exclude a future evolution of the segmentation following the development of the company, its products and its internal performance indicators.

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

At the level of the geographical information, the activities are divided into the following regions: Asia-Pacific ("APAC"), Europe, Middle East and Africa ("EMEA"), and America ("NALA" or "Americas"). This division follows the organization of the commercial and support services within the group, which operates worldwide. 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 event 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)	1Q14	1Q13	% 1Q14/1Q13
Sports	18,965	27,178	-30.2%
Entertainment, News & Media	7,834	5,639	+38.9%
Big sporting event rentals	2,543	-	N/A
Total Revenue	**29,342**	**32,817**	**-10.6%**

4.2.2. Information on sales by geographical information

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

4.2.2.1. Revenue

Revenue for the quarter (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
1Q14 revenue	**5,452**	**13,205**	**8,142**	**2,543**	**29,342**
Evolution versus 1Q13 (%)	-46.5%	-7.1%	-3.2%	N/A	**-10.6%**
Variation versus 1Q13 (%) at constant currency	-46.5%	-7.1%	+0.4%	N/A	**-17.4%**
1Q13 revenue	**10,184**	**14,219**	**8,414**	**-**	**32,817**

Sales realized in Belgium (the country of origin of the company) with external clients represent less than 5% of the total sales in the period. In the last 12 months, the group realized significant sales to external clients (according to the definition of IFRS 8) in two countries: the US (Americas, EUR 23.1 million in the last 12 months) and the UK (EMEA, EUR 13.7 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 thousands)	1Q14	1Q13	% 1Q14/ 1Q13
Systems	27,394	31,198	-12.2%
Services	1,948	1,619	+20.4%
Total Revenue	**29,342**	**32,817**	**-10.6%**

Services include advices, installations, project management, training, maintenance, distant support that are explicitly 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 2.16 per share at the May 20, 2014 Ordinary Shareholders Meeting, including an interim dividend of EUR 1.16 per share paid in November 2013. This leads to a final gross dividend of EUR 1.00 per share, for digital coupon # 18, ex-date May 28 and pay date June 2.

(EUR thousands)	# Coupon	2013	2012
- 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
- Final dividend for 2012 (EUR 1.48 per share less treasury shares)	16	19,933	-
- Interim dividend for 2013 (EUR 1.16 per share less treasury shares)	17	15,650	
Total dividends paid		**35,583**	**31,736**

NOTE 6: EQUITY SECURITIES

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

	2014	2013
Number of own shares at January 1	**133,364**	**170,053**
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	-76,700	-13,550
Own shares cancellation	-	-
Number of own shares at March 31	**56,664**	**156,503**
Outstanding warrants at March 31	**343,050**	**422,450**

In 1Q14, the company has not repurchased any share on the stock market. A total of 76,700 shares were used to satisfy the exercise of warrants by employees. At the end of March 2014, the company owned 56,664 own shares at an average historical price of EUR 37.71. At the end of March 2014, 343,050 granted warrants were outstanding with an average strike price of EUR 39.93 and an average maturity of March 2016.

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)	1Q14	1Q13
Gross R&D expenses	6,550	6,058
R&D tax credits for current fiscal year	-263	-243
R&D expenses	**6,287**	**5,815**

NOTE 9: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	1Q14	1Q13
Exchange results from statutory accounts	-8	200
Exchange results relating to IFRS consolidation methodology	-27	22
Impairment on Tax Shelter investments	-	-5
Other financial results	6	-30
Other net financial income / (expenses)	**-29**	**187**

The functional currency of EVS Broadcast Equipment S.A. as well as all of its 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)	1Q14	1Q13
Reconciliation between the effective tax rate and the theoretical tax rate		
Reported profit before taxes, share in the result of the enterpr. accounted for using the equity method	9,955	14,645
Reported tax charge based on the effective tax rate	-3,294	-4,467
Effective tax rate	**33.1%**	**30.5%**
Reconciliation items for the theoretical tax charge		
Tax effect of Tax Shelter	-	-13
Tax effect of deduction for notional interests	-51	-44
Tax effect of non deductible expenditures	123	120
Other increase / (decrease)	136	-51
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-3,086	-4,456
Theoretical tax rate (relating to EVS operations, excl. dcinex)	**31.0%**	**30.4%**

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

EVS currently owns 41.3% of dcinex SA 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 SA 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 SA remains 41.3%. As of March 31, 2014, 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 9.2 million.

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

(EUR thousands)	1Q14	1Q13
Revenue	21,772	19,852
EBITDA	8,646	5,994
Net result for the period	**354**	**-403**
Part of dcinex capital held by EVS	41.3%	41.3%
dcinex contribution – share of EVS	**146**	**-166**

The cumulated Tax Loss Carry Forward of dcinex SA amounts to EUR 28.5 million on March 31, 2014. At the same date, 61.9% of deferred tax assets relating to these losses have been recognized.

NOTE 12: HEADCOUNT

(in full time equivalents)	At March 31	Three-months average
2014	497	491
2013	465	466
Variation	*+6.9%*	*+5.4%*

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
2014	1.3696	1.3788
2013	1.3206	1.2805
Variation	*-3.6%*	*-7.1%*

For 1Q14, the average US dollar exchange rate against the Euro has decreased by 3.6% compared to 1Q13. It had a negative impact of EUR 0.3 million on revenue (0.9%). 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 up to 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, 2014, the group held USD 3.0 million in forward exchange contracts, with an average maturity date of July 11, 2014, and with an average exchange rate EUR/USD of 1.2817.

NOTE 15: FINANCIAL DEBT AND NEW BUILDING INVESTMENT

In order to partially finance its new HQ and operating facilities, EVS secured in November 2013 a senior debt funding of EUR 24 million over 7 years with 3 major banks: European Investment Bank (50%, through the GFI initiative), ING (25%) and BNPPF (25%). As of March 31, 2014, EVS has drawn EUR 8.0 million on this credit line. The new headquarter shall be inaugurated at the end of 2014.

NOTE 16: SUBSEQUENT EVENTS

In May 2014, given the increase in the budget for the new headquarter, EVS has signed additional available loan facilities for an amount of EUR 12 million (50% ING and 50% BNPPF) on 5 years.
There was no other subsequent event that may have a material impact on the balance sheet or income statement of EVS.

NOTE 17: RISK AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the year 2014 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.
There were no changes in the related parties' transactions as described in the last management report ("rapport de gestion").

Certification of responsible persons

Joop Janssen, Managing Director and CEO,
Magdalena Baron, 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 2014, including their impact on the condensed financial statements, and a description of the existing risks and uncertainties.