



## EVS REPORTS REVENUE OF EUR 17.8 MILLION IN 1Q09 WEAKER THAN 1Q08 BUT STRONGER THAN 4Q08

- 1Q09 revenue of EUR 17.8 million, -29.9% vs. 1Q08 (-32.4% at constant exchange rate) but +30.6% vs. 4Q08
- Europe down 25.1%, Asia & Pacific down 50.6%, America down 26.8% (-36.3% at constant exchange rate) compared to 1Q08
- Costs under control, EBIT margin of 51.0% for 1Q09
- Net result of EUR 5.4 million, -53.4% vs 1Q08 but +192.8% vs 4Q08
- Healthy balance sheet, with a net cash position of EUR 52.7 million (57.8% of total assets)
- Better NAB tradeshow than expected on the back of the launch of several new products
- Spring order book of EUR 12.6 million as of April 30, down 63.0% vs 2008, with continued challenging market conditions
- Very limited visibility on 2009 but focus on market share growth in studio and 2010 sporting events
- Total gross dividend of EUR 2.48 and cancellation 250,000 shares to be proposed at the General Meeting of May 19.

Liège (Belgium), May 14, 2009, EVS Broadcast Equipment S.A. (Euronext Brussels: EVS.BR, Bloomberg: EVS BB, Reuters: EVSB.BR) (Pinksheets: EVBEF), the leader in professional digital video applications for live, near-live and studio TV production, today reported its results for the first quarter of 2009 (“1Q09”).

### Key highlights

Pierre L'Hoest, CEO of EVS said: “While the level of our business in the first quarter of 2009 cannot be satisfying, we have seen in the first four months of this year an improvement compared to the months of September till November 2008. This encourages us to continue our efforts in accelerating the development of new solutions and products to improve the workflow efficiency of our customers in both outside broadcast and studio segments and in optimizing our organizational processes. The market conditions remain challenging and our clients are cautious with their capital expenditure. The recent NAB tradeshow in Las Vegas confirmed that our new developments respond to new needs in studio production. We stay committed to our existing strategy, leveraging on the same structural long term drivers that have contributed to the success of EVS: tapeless transition, higher TV production effectiveness requirements, high definition and more diversified TV sports.”

Commenting on the results and perspectives, Jacques Galloy, CFO added: “The EUR 17.8 million revenue in the first quarter 2009 is up 30.6% compared to the weak last 2008’s quarter. We probably have the worst behind us. Despite the challenging market conditions, we deliver a 51.0% EBIT margin, which underlines our ability to keep the costs under control in such an environment. As we go forward in 2009, we see some investments relating to the big events of 2010 increasing in the second half of the year. The impact of the economic downturn on our business over time will depend on the depth and length of the downturn. We believe that EVS should emerge stronger when recovery appears given both our solid balance sheet, continued investment in R&D and good market position.”

IFRS - EUR millions, except earnings per share expressed in EUR	(unaudited)			
	1Q09	4Q08	1Q08	1Q09/1Q08
Revenue	17.8	13.6	25.4	-29.9%
Operating profit – EBIT	9.1	4.6	17.1	-46.8%
Operating margin – EBIT %	51.0%	34.0%	67.3%	-
Contribution from 47.2% XDC affiliate	-0.8	-0.3	-0.8	+4.8%
Net profit – group share	5.4	1.9	11.7	-53.4%
Net profit from operations, excl. XDC – group share <sup>(1)</sup>	6.4	2.2	12.6	-49.2%
Basic earnings per share	0.40	0.14	0.86	-53.4%
Basic earnings per share from operations, excl. XDC <sup>(1)</sup>	0.47	0.17	0.93	-49.2%

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

## Revenue

EVS Broadcast revenue amounted to **EUR 17.8 million in 1Q09**, an increase of 30.6% compared to 4Q08, and a decrease of 29.9% compared to 1Q08 (-32.4% at constant exchange rate). In the outside broadcast segment, sales decreased by 28.0% to EUR 13.3 million. The studio sales decreased by 34.8% to EUR 4.5 million, which represented 25.3% of total 1Q09 sales, compared to 27.2% in 1Q08.

Revenue – EUR millions <sup>(1)</sup>	1Q09	4Q08	1Q08	1Q09/1Q08
Total reported	17.8	13.6	25.4	-29.9%
Total at constant exchange rate	17.2	13.6	25.4	-32.4%
<b>Total at constant exchange rate excluding big events rentals</b>	17.2	13.6	25.4	<b>-32.4%</b>

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

In 1Q09, sales in all regions were negatively impacted by the economic downturn, major currency fluctuations and also by some remaining overcapacity of some sport production tools in the market following the Beijing Olympics. More specifically, revenue evolved as follows:

- Europe, Middle-East and Africa (“**EMEA**”): EUR 10.8 million (-25.1%). The weak performance was reinforced by the major negative impact of both GBP and Eastern European currencies fluctuations on respectively U.K. and Eastern Europe customers imports, but was partially offset by important contracts with SABC in South Africa relating to the equipment of some OB vans in advance of sporting events such as the Confederation Cup in June 2009;
- America’s revenue (“**NALA**”): EUR 4.9 million (-26.8% at actual rates, or -36.3% at constant exchange rate). Main drivers for revenue contribution in the U.S. still include the replacement cycle of outside broadcast trucks migrating to HDTV;
- Asia & Pacific (“**APAC**”): EUR 2.1 million (-50.6%). Japan was the first country to launch HDTV initiatives back in 2002 and lots of large outside broadcast vans are equipped with XT[2] HD systems so far. The performance was also impacted by major currency swings.

At the NAB in Las Vegas last April, the largest tradeshow in the broadcast industry, EVS received very positive feedback from the market on the latest product developments, of which:

- **XS**, the new 4-channel server, which was presented for the first time in February at the BVE tradeshow in London. The XS server is a true VTR replacement solution for studio production and playout;
- **INSIO**, the new application that offers producers the perfect toolbox for controlling and accelerating each step of pre-recorded TV series and dramas production;
- **New developments on the XT[2] platform, combined with the MulticamLSM**: 3D live replays, slow-motion and clipping functions; Full 1080p (50/60Hz) recording and playback management; full control of high-speed HD cameras through the RemoteLSM controller; and on-the-fly offside line creator available on all standard RemoteLSM controller;
- **CleanEdit 3.00**: new version of the EVS non-linear proxy editing solution, with full HD/SD multi-format timeline editor, new user interface, embedded character generator and extended metadata management capabilities.
- **Interoperability** with new codecs (DVCPRO HD) and new technological partners such as Matrox Axio (real-time editing system running Adobe Premiere Pro), Morpheus (automation system from Snell), Arri Media and Digital Video Sud (high-speed cameras).

## Operating Results

The **consolidated gross margin was 83.0% for 1Q09**, compared to 78.5% in 4Q08 and to 88.1% in 1Q08. The variations are mainly due to the sales leverage combined with the fact that a significant portion of the costs of goods sold are fixed expenses related to assembling factory, operations and field services. While the average number of employees over the quarter increased by 18.6% compared to one year ago, the operating expenses only increased by 6.0% in 1Q09, thanks to efficient cost control measures. As a result, the EBIT margin amounted to 51.0% of 1Q09 revenue, compared to 34.0% for 4Q08 and 67.3% for 1Q08. XDC contributed a loss of EUR -0.8 million in 1Q09 to EVS. Net profit amounted to EUR 5.4 million in 1Q09, or -53.4% versus 1Q08 but +192.8% versus 4Q08, while net profit from operations, excluding XDC, was EUR 6.4 million in 1Q09. **Basic net profit per share** amounted to **EUR 0.40** in 1Q09 compared to EUR 0.86 in 1Q08 and EUR 0.14 in 4Q08.

## Net cash and capital

The net cash from operating activities amounted to EUR 10.4 million over 1Q09. On March 31, 2009, the group balance sheet shows **EUR 54.7 million in cash and cash equivalents**, made of short term deposits near different major Belgian and foreign banks, and liquid short term government certificates. On March 17, 2009, EVS acquired a land and a building adjacent to the headquarters of the company, for a value of EUR 0.7 million. It has been financed using cash reserves. EVS has EUR 1.9 million in long-term financial debts relating to self occupied building that are valued in the assets for EUR 10.7 million. At the end of March, there were 13,544,866 EVS outstanding shares, i.e. 13,875,000 subscribed shares out of which 330,134 were owned by the company. At March 31, 2009, 126,650 warrants were outstanding at an average strike price of EUR 46.41 per share, out-of-the-money but anyway not exercisable before 2010.

## Outlook

Executing its “**Speed to Air**” strategy, EVS serves hundreds of TV stations and TV facility companies worldwide with its high-end digital video and audio applications, especially in the field of live sports and near-live studio production where the company has developed leadership positions in various niche markets. The worldwide migration from tape-based operations to integrated tapeless workflows is underway and will certainly gain momentum in the next decade. This process is accelerated by the unavoidable transition from standard definition (SD) to high definition (HD) television, because new equipment needs to interoperate with digital solutions, which are increasingly high definition.

Hence, EVS directly benefits from the following **long term growth drivers**: the increasing number of video distribution channels like IPTV, the development of new thematic TV stations like extreme sports, the transition to tapeless workflows (from 60% tape-based penetration today), the replacement market due to HD format conversion, the launch of new products to address near-live studio production needs, the demand for new “speedclipping” tools to fragment the content to multimedia environments, the higher TV production efficiency requirements and an increased focus of broadcasters/IPTV and advertisers on large popular sport broadcasts to gain new viewers. The EVS Board and teams believe that the underlying demand for EVS products will continue to be supported by the transition to HDTV, which will impact the business over a long period of time and will follow usual equipment acquisition wave patterns as well as macro economic trends.

The global **spring order book** (to be invoiced in 2009) reaches **EUR 12.6 million**, compared to EUR 34.1 million (including EUR 6.5 million for big event rentals) on the same date one year ago (hence to be invoiced in 2008) and EUR 16.5 million for the 2007 spring order book (incl. EUR 0.3 million for big event rentals). The 2009 spring order book is made of:

- the open order book as of April 1, 2009: EUR 7.3 million (vs. EUR 25.5 million as of April 1, 2008, and EUR 8.5 million in 2007)
- orders intake between April 1, 2009 and April 30, 2009: EUR 5.3 million (vs. EUR 8.6 million last year, and EUR 8.0 million in 2007).

Most of the order book shall be invoiced over 2Q09 while approximately 25% of last year’s order book translated into revenues after 2Q. In addition, EVS has already received orders for EUR 1.7 million that will be invoiced in 2010 and beyond (compared to EUR 1.4 million in 2008 and EUR 1.8 million in 2007).

After very weak September till November months, the order inflow has stabilised to EUR 5-6 million per month while the overcapacity of some sport production tools in the market comes to an end. Extreme currency fluctuations have temporarily prevented some key customers to execute their ongoing investment plans but, as understood during the NAB tradefair, EVS has right products, solutions and skills to address current market needs. Obviously, the broadcast industry, including EVS, is heavily dependent on economic cycles and 2009 shall be a bridge year towards sport year 2010 with both lower sales and earnings. It should also be noted that the operating expenses should continue to grow technically on annual basis, as 2009 will bear 12 months of the salaries of the people hired in 2008 and as EVS shall recruit some broadcast technology experts available on the market. Despite this, EVS shall generate strong free cash flow.

Risk factors surrounding EVS like economical uncertainties, banking troubles, balance-sheets deleveraging, major currencies fluctuations are not easing any guidance. However, the broadcast equipment industry turmoils may potentially turn into an advantage for EVS given the strong financials, the organization flexibility and the potential of a wide installed base.

EVS teams are not only developing new products but also working on 2010 sporting events like Winter Olympics in Vancouver (February 2010), World Cup Football in South Africa (June-July 2010), Commonwealth Games in India (October 2010), Asian Games in China (November 2010) and many other events. EVS strategic plan is based on

long term structural growth drivers. EVS intends to expand its addressable markets and open new markets. The Board believes the Group is well positioned to address most potential outcomes and should emerge stronger when the recovery takes hold.

## Final dividend

Given the good performance of 2008, its desire to optimize the return of its shareholders through dividend distribution and/or treasury shares repurchase program and its confidence in EVS long term prospects, the Board of Directors has proposed a **total gross dividend of EUR 2.48** per share (including the EUR 1.00 interim dividend) to the Ordinary General Meeting of shareholders to be held next May 19, 2009, implying a final gross dividend of EUR 1.48 to be paid end of May, 2009 (coupon 8, ex-date May 27, pay date June 2).

### **EVS will hold today the following events:**

- Financial analysts & investors meeting in French/Dutch in Liège at 11:00 AM CET
- A conference call in English will be held at 3:00 PM CET (Please contact [corpcom@evs.tv](mailto:corpcom@evs.tv) to receive the dial-in number and the presentation).

These shall be attended by Pierre L'Hoest, CEO, Jacques Galloy, CFO and Geoffroy d'Oultremont, IRO.

## Statutory Auditor's BDO Atrio statement

The statutory Auditors BDO Atrio has not reviewed the quarterly financial statements as presented in this press release.

### **Corporate Calendar:**

Tuesday May 19, 2009	Combined Ordinary and Extraordinary General Meeting
Wednesday May 27, 2009	Final dividend 2008 – coupon 8 – ex-date
Tuesday June 2, 2009	Final dividend 2008 – coupon 8 – payment date
Friday June 12, 2009	Post-poned Extraordinary General Meeting
Thursday July 16, 2009	Trading update on 2Q09 revenue
Thursday August 27, 2009	2Q09 earnings

### **For more information, please contact:**

Jacques GALLOY, Director & CFO

Geoffroy d'OULTREMONT, Investor Relations & Corporate Communications Manager

EVS Broadcast Equipment S.A., Liege Science Park, 16 rue du Bois Saint-Jean, B-4102 Ougrée (Liège), Belgium

Tel: +32 4 361 70 14. – Fax: + 32 4 361 70 89 - E-mail: [corpcom@evs.tv](mailto:corpcom@evs.tv); [www.evs-global.com](http://www.evs-global.com)

### **Forward Looking Statements**

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

### **About EVS Group**

*EVS Broadcast Equipment designs, develops and markets professional digital equipment for Television. The company employs over 235 persons in 12 countries and sells its products to professionals of the video and audio sectors in more than 90 countries. EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371. For more information, refer to [www.evs-global.com](http://www.evs-global.com)*

*EVS Broadcast is the world leader for Live TV Production Digital Disk Recorders and Related Software Applications, especially in the field of sports. The company's dedicated hardware and software suite offer a complete production platform: live slow motion (LSM), high speed slow motion, replay only, clips generation, quick clips editing, real-time SD/HD video files transfer, time delay, multi-camera recording, metadata association, graphics storage and play-out, digital transmission, multi-format ingest and play-back, audio record & edit, webcasting, mobile phone clipping. Main software applications like the "IP Director®" are running on the dedicated robust and flexible hardware the "XT[2]® Platform". The world's leading broadcasters, such as NBC, BSKyB, FOX, RTBF, RTL, NHK, CANAL+, ABC, ESPN, TF1, CCTV, PBS, CBS, BBC, ZDF, Channel7, RAI, TVE, NEP, MEDIAPRO, EUROMEDIA, BEXEL, ALFACAM and many others use EVS' solutions.*

*EVS 47,2% affiliate XDC is pioneering Digital Cinema Logistics and Play-out and operates between the movies distributors and exhibitors. XDC has installed more than 400 digital screens throughout Europe in Germany, Sweden, France, Austria, Portugal, UK, Belgium, etc.*

## Condensed financial statements

### ANNEX 1: EVS GROUP – IFRS CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Annex	1Q09 Unaudited	4Q08 Unaudited	1Q08 Unaudited
Revenue	5.4	17,820	13,639	25,403
Costs of sales		-3,032	-2,927	-3,023
<b>Gross profit</b>		<b>14,788</b>	<b>10,711</b>	<b>22,380</b>
<b>Gross margin %</b>		<b>83.0%</b>	<b>78.5%</b>	<b>88.1%</b>
Selling and administrative expenses		-2,644	-2,914	-3,158
Research and development expenses		-2,940	-3,136	-2,110
Other revenue		37	87	46
Other expenses		-17	-52	-34
Stock based compensation and ESOP plan		-85	68	36
Depreciation on Tax Shelter rights assets		-47	-122	-75
<b>Operating profit (EBIT)</b>		<b>9,091</b>	<b>4,643</b>	<b>17,085</b>
<b>Operating margin (EBIT) %</b>		<b>51.0%</b>	<b>34.0%</b>	<b>67.3%</b>
Net interest		218	379	327
Other net financial income / (expenses)	5.8	-269	-1,251	633
Share in the result of the enterprise accounted for using the equity method	5.10	-774	-365	-777
<b>Profit before taxes (PBT)</b>		<b>8,266</b>	<b>3,406</b>	<b>17,268</b>
Income taxes	5.9	-2,817	-1,545	-5,585
<b>Net profit from continuing operations</b>		<b>5,449</b>	<b>1,861</b>	<b>11,683</b>
<b>Net profit</b>		<b>5,449</b>	<b>1,861</b>	<b>11,683</b>
Attributable to :				
Minority interests		-	-	-
<b>Equity holders of the parent company</b>		<b>5,449</b>	<b>1,861</b>	<b>11,683</b>
<b>Net profit from operations, excl XDC – share of the group <sup>(1)</sup></b>	5.3	<b>6,372</b>	<b>2,243</b>	<b>12,552</b>
<b>RESULT PER SHARE</b>	5.7	<b>1Q09 Unaudited</b>	<b>4Q08 Unaudited</b>	<b>1Q08 Unaudited</b>
<i>(in number of shares and in EUR)</i>				
Weighted average number of subscribed shares for the period less treasury shares		13,544,866	13,565,926	13,542,539
Weighted average fully diluted number of shares		13,671,516	13,692,576	13,714,485
<b>Basic earnings – share of the group</b>		<b>0.40</b>	<b>0.14</b>	<b>0.86</b>
<b>Fully diluted earnings – share of the group</b>		<b>0.40</b>	<b>0.14</b>	<b>0.85</b>
<b>Basic net profit from operations, excl XDC – share of the group</b>		<b>0.47</b>	<b>0.17</b>	<b>0.93</b>

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

## ANNEX 2: EVS GROUP – IFRS CONSOLIDATED BALANCE SHEET

ASSETS (EUR thousands)	Annex	March 31, 2009 Unaudited	Dec. 31, 2008 Audited
<b>Non-current assets :</b>			
Technology acquired from DWESAB		918	984
Other intangible assets		436	508
Lands and buildings		10,687	9,578
Other tangible assets		1,833	1,974
Investment accounted for using equity method	5.10	1,662	2,489
Subordinated bonds	5.10	4,277	4,277
Other financial assets		151	148
Deferred tax assets		22	48
<b>Total non-current assets</b>		<b>19,986</b>	<b>20,007</b>
<b>Current assets :</b>			
Stocks		7,169	8,079
Trade receivables		8,272	10,366
Other amounts receivable, deferred charges and accrued income		1,109	1,135
Cash and cash equivalents		54,668	45,454
<b>Total current assets</b>		<b>71,218</b>	<b>65,034</b>
<b>Total assets</b>		<b>91,204</b>	<b>85,040</b>
<b>EQUITY AND LIABILITIES (EUR thousands)</b>			
	Annex	March 31, 2009 Unaudited	Dec. 31, 2008 Audited
<b>Equity :</b>			
<b>Capital</b>		<b>8,342</b>	<b>8,342</b>
Reserves		90,573	85,012
Interim dividends	5.5	-13,586	-13,586
Treasury shares		-11,601	-11,601
<b>Total consolidated reserves</b>		<b>65,386</b>	<b>59,825</b>
Translation differences		-30	-124
<b>Equity attributable to equity holders of the parent company</b>		<b>73,698</b>	<b>68,043</b>
<b>Minority interests</b>		<b>5</b>	<b>5</b>
<b>Total equity</b>	<b>4</b>	<b>73,703</b>	<b>68,049</b>
Long term provisions		1,139	1,139
Deferred taxes liabilities		1,144	1,159
Financial long term debts		1,637	1,711
Other long term debts		546	546
<b>Non-current liabilities</b>		<b>4,465</b>	<b>4,556</b>
Short term portion of financial long term debts		299	299
Trade payables		2,303	3,429
Amounts payable regarding remuneration and social security		4,719	4,661
Income tax payable		4,698	2,324
Other amounts payable, advances received, accrued charges and deferred income		1,017	1,723
<b>Current liabilities</b>		<b>13,036</b>	<b>12,436</b>
<b>Total equity and liabilities</b>		<b>91,204</b>	<b>85,040</b>

### ANNEX 3: EVS GROUP – IFRS CONSOLIDATED CASH FLOW STATEMENT

(EUR thousands)	1Q2009 Unaudited	1Q2008 Unaudited
<b>Cash flows from operating activities</b>		
Operating Profit (EBIT)	9,091	17,085
Adjustment for non cash items :		
- Depreciation and write-offs on fixed assets	474	301
- Foreign exchange result	-270	651
- Stock based compensation and ESOP	85	-36
- Provisions and deferred taxes increase/(decrease)	12	141
	<b>9,392</b>	<b>18,141</b>
Increase (+)/decrease (-)		
- Amounts receivable	2,004	-4,176
- Accruals	-196	727
- Trade debts and prepayments	-1,303	-28
- Taxes, remuneration and social security debts	2,433	5,845
- Other amounts payable	-304	-671
- Inventories	910	-1,461
<i>Cash generated from operations</i>	<i>12,936</i>	<i>18,378</i>
Interest received	276	369
Income taxes	-2,817	-5,585
<b>Net cash from operating activities</b>	<b>10,395</b>	<b>13,162</b>
<b>Cash flows from investing activities</b>		
Purchase (-)/disposal (+) of intangible assets (incl. Investments in Tax Shelter)	-2	-3
Purchase (-)/disposal (+) of property, plant and equipment	-1,303	-612
Purchase (-)/disposal (+) of leasing equipment	-	-
Purchase (-)/disposal (+) of other financial assets	51	82
<b>Net cash used in investing activities</b>	<b>-1,254</b>	<b>-533</b>
<b>Cash flows from financing activities</b>		
Operations with treasury shares	-	-1,635
Other net equity variations	205	-882
Interest paid	-57	-43
Movements on long-term borrowings	-75	-79
Interim dividend paid	-	-
Final dividend paid	-	-
<b>Net cash used in financing activities</b>	<b>73</b>	<b>-2,639</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,214</b>	<b>9,990</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>45,454</b>	<b>35,515</b>
<b>Cash and cash equivalents at end of period</b>	<b>54,668</b>	<b>45,505</b>

**ANNEX 4: EVS GROUP – IFRS CONSOLIDATED STATEMENT  
OF CHANGES IN NET EQUITY**

<b>(EUR thousands)</b>	<b>Issued capital</b>	<b>Other reserves</b>	<b>Treasury shares</b>	<b>Currency translation differences</b>	<b>Equity attributable to shareholders of the parent company</b>	<b>Minority interest</b>	<b>Total Net Equity</b>
<b>Balance as per December 31, 2007</b>	<b>8,342</b>	<b>62,146</b>	<b>-8,090</b>	<b>-257</b>	<b>62,141</b>	<b>5</b>	<b>62,146</b>
Increase (decrease) of equity capital resulting from company regrouping					-		-
Net profit of the year attributable to the shareholders of the parent company		11,683			11,683		11,683
Operations with treasury shares		-995	-640		-1,635		-1,635
Final Dividend					-		-
Interim dividend					-		-
Currency translation differences		-596		-131	-727		-727
Other increase (decrease)		-65			-65		-65
<b>Balance as per March 31, 2008</b>	<b>8,342</b>	<b>72,173</b>	<b>-8,730</b>	<b>-388</b>	<b>71,397</b>	<b>5</b>	<b>71,402</b>

<b>(EUR thousands)</b>	<b>Issued capital</b>	<b>Other reserves</b>	<b>Treasury shares</b>	<b>Currency translation differences</b>	<b>Equity attributable to shareholders of the parent company</b>	<b>Minority interest</b>	<b>Total Net Equity</b>
<b>Balance as per December 31, 2008</b>	<b>8,342</b>	<b>71,427</b>	<b>-11,601</b>	<b>-124</b>	<b>68,044</b>	<b>5</b>	<b>68,049</b>
Increase (decrease) of equity capital resulting from company regrouping					-		-
Net profit of the year attributable to the shareholders of the parent company		5,449			5,449		5,449
Operations with treasury shares					-		-
Final dividend					-		-
Interim dividend					-		-
Currency translation differences		5		94	99		99
Other increase (decrease)		106			106		106
<b>Balance as per March 31, 2009</b>	<b>8,342</b>	<b>76,987</b>	<b>-11,601</b>	<b>-30</b>	<b>73,698</b>	<b>5</b>	<b>73,703</b>

## ANNEX 5: EVS GROUP – NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2009

### NOTE 1: BASIS OF PREPARATION

The consolidated financial statements of EVS Group for 3 months period ended March 31, 2009 are established under 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 2008 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the 2008 annual report on [www.evs-global.com](http://www.evs-global.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. XDC is as follows:

(EUR thousands)	1Q09	4Q08	1Q08
Net profit for the period - IFRS	5,449	1,861	11,683
Allocation to Employees Profit Sharing Plan	-6	-220	-73
Stock Option Plan	91	153	37
Depreciation on Tax Shelter rights assets	47	122	75
Contribution of XDC	791	327	830
<b>Net profit from operations, excl. XDC</b>	<b>6,372</b>	<b>2,243</b>	<b>12,552</b>

### 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. Sales relate to products of the same nature and are realized by commercial polyvalent teams.

The company internal reporting is the reflection of the abovementioned operational organization, and is characterized by the strong integration of the activities of the company; only sales are identified by geographical market in which they are realized.

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

## 4.2. Additional information

### 4.2.1. Information on products and services

Revenue can be presented by destination: the outside broadcast vans and the TV production studios. Maintenance and after sale service are included in the complete solution proposed to the clients.

Revenue (EUR thousands)	1Q09	4Q08	1Q08	% 1Q09/1Q08
Outside Broadcast vans	13,315	8,578	18,499	-28.0%
TV production studios	4,504	5,061	6,904	-34.8%
<b>Total Revenue</b>	<b>17,820</b>	<b>13,639</b>	<b>25,403</b>	<b>-29.9%</b>

### 4.2.2. Geographical information

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

#### 4.2.2.1. Revenue

Revenue for the quarter (EUR thousands)	APAC	EMEA	NALA	TOTAL
<b>1Q09 revenue</b>	<b>2,110</b>	<b>10,769</b>	<b>4,940</b>	<b>17,820</b>
<b>Evolution versus 1Q08 (%)</b>	<b>-50.6%</b>	<b>-25.1%</b>	<b>-26.8%</b>	<b>-29.9%</b>
Segment revenue at constant exchange rate	2,110	10,769	4,299	17,179
Variation versus 1Q08 (%) at constant exchange rate	-50.6%	-25.1%	-36.3%	-32.4%
Variation versus 1Q08 (%) at constant exchange rate and excluding big event rentals	-50.6%	-25.1%	-36.3%	-32.4%
<b>1Q08 revenue</b>	<b>4,273</b>	<b>14,385</b>	<b>6,745</b>	<b>25,403</b>

Sales to external clients in Belgium (the country of origin of the company) represent less than 10% of the total annual sales. In the last 12 months, the group realized significant sales to external clients (according to the definition of IFRS 8) in one country: the United States of America (included in NALA in the above table). Sales in the United States of America were EUR 21.1 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 S.A. in Belgium.

### 4.2.3. 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

(EUR thousands)	# Coupon	1Q09	2008	2007
- Final dividend for 2006 (EUR 1.20 per share less treasury shares)	4	-	-	16,323
- Interim dividend for 2007 (EUR 0.80 per share less treasury shares)	5	-	-	10,867
- Final dividend for 2007 (EUR 1.48 per share less treasury shares)	6	-	20,195	-
- Interim dividend for 2008 (EUR 1.00 per share less treasury shares)	7	-	13,586	-
<b>Total dividends paid</b>		<b>-</b>	<b>33,781</b>	<b>27,190</b>

The Board of Directors has decided to propose a total gross dividend of EUR 2.48 per share at the May 19, 2009 Ordinary Shareholders Meeting, including an interim dividend of EUR 1.00 per share, for which the ex-date was November 17, 2008, and the payment date November 24, 2008. This leads to a final gross dividend of EUR 1.48 per share, for coupon # 8, ex-date May 27 and pay date June 2.

## NOTE 6: EQUITY SECURITIES

The number of treasury shares has not changed during the past period:

	2009	2008
<b>Number of own shares at January 1</b>	<b>330,134</b>	<b>305,871</b>
Acquisition of own shares on the market	-	33,278
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-	-
Sales related to Employee Stock Option Plan (ESOP) and other transactions	-	-54,100
Own shares cancellation	-	-
<b>Number of own shares at March 31</b>	<b>330,134</b>	<b>285,049</b>
<b>Outstanding warrants at March 31</b>	<b>126,650</b>	<b>119,250</b>

The Board of Directors proposes to the Ordinary General Meeting of shareholders of May 19, 2009 to approve a grant of 100 company shares to EVS employees (50 for newer employees) as a reward for their contribution to the 2008 group successes. The total underlying number of shares should approximate 15,500 own shares, or 0.1% of outstanding shares.

The Board of Directors does also propose to the Extraordinary General meeting to be held on May 19, 2009, to cancel 250,000 own shares, or 1.8% of outstanding shares.

As of March 31, 2009, 126,650 warrants were outstanding, with an average strike price of EUR 46.41 and an average maturity of October 13, 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: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	1Q09	1Q08
Exchange results from statutory accounts	-326	258
Exchange results relating to IFRS consolidation methodology	56	393
Other financial results	1	-18
<b>Other net financial income / (expenses)</b>	<b>-269</b>	<b>633</b>

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 note 5.12.

## NOTE 9: 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 both 1Q09 and 1Q08 with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	1Q09	1Q08
<b>Reconciliation between the effective and the theoretical tax rates</b>		
Reported profit before taxes and share in the result of the enterprise accounted for using the equity method	9,040	18,045
Reported tax charge based on the effective tax rate	-2,817	-5,585
<b>Effective tax rate</b>	<b>31.2%</b>	<b>31.0%</b>
<b>Reconciliation items for the theoretical tax charge</b>		
Tax effect of Tax Shelter	-32	-64
Tax effect of deduction for notional interests	-85	-72
Tax effect of non deductible expenditures	200	46
Other increase (decrease)	-78	-102
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-2,812	-5,777
<b>Theoretical tax rate (relating to EVS operations, excl. XDC)</b>	<b>31.1%</b>	<b>32.0%</b>

## NOTE 10: INVESTMENTS IN ASSOCIATES - XDC S.A.

EVS currently owns 47.20% of XDC S.A. share capital and has a fully diluted share of 42.7% in the company. As of March 31, 2009, XDC shares accounted for using equity method in EVS consolidated accounts amounted to EUR 1.2 million, or 47.20% of XDC S.A.'s equity at the same date. In addition, EVS holds a subordinated bond associated with warrants exercisable in 2010 for a value of EUR 4.3 million out of which EUR 1.4 million have been subscribed last December.

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

(EUR thousands)	1Q09	1Q08
Revenue	1,724	929
EBITDA	-71	-338
<b>Net result for the period</b>	<b>-1,675</b>	<b>-1,759</b>
Share of XDC capital held by EVS	47.20%	47.20%
<b>Net result – share of EVS</b>	<b>-791</b>	<b>-830</b>

The cumulated Tax Loss Carry Forward of XDC S.A. amounts to EUR 25.1 million on March 31, 2009. Deferred tax assets are being progressively recognized as the business plan materializes. As at March 31, 2009, 31% of deferred tax assets relating to these losses have been recognized.

## NOTE 11: HEADCOUNT

EVS – TV (in full time equivalents)	As at March 31	Quarter average
2008	209	199
2009	238	236
<i>Variation</i>	+13.9%	+18.6%

Starting January 1, 2009 with 233 full time equivalents, the group just added 5 experts during the first quarter.

**NOTE 12: EXCHANGE RATES**

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

<b>USD / EUR</b>	<b>Average exch. Rate 1Q</b>	<b>As at March 31</b>
Exchange rate 2009	1.3042	1.3308
Exchange rate 2008	1.4986	1.5812
Variation	+13.0%	+15.8%

**NOTE 13: 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, 2009, the group held USD 6.0 million in forward exchange contracts earmarked to hedge 50% of the estimated net future cash-flows in dollars with an average maturity date of October 5, 2009 and with an average exchange rate EUR/USD of 1.3618.

**NOTE 14: SUBSEQUENT EVENTS**

There is no significant subsequent event.

**NOTE 15: RELATED PARTIES TRANSACTIONS**

There were no significant related parties transactions during the first three months of 2009.

**NOTE 16: RISK AND UNCERTAINTIES**

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2009 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-global.com](http://www.evs-global.com)).