



## EVS REPORTS RECORD THIRD QUARTER REVENUE AND PROFITS ORDER BOOK REFLECTS USUAL BIG EVENT SEASONALITY

- Record 3Q08 revenue of EUR 37.2 million, +52.9% vs. 3Q07 (+56.8% at constant exchange rate), thanks to strong traction from big sporting events (including EUR 6.9 million rentals)
- Europe up 83.5%, Asia & Pacific up 35.1%, America up 23.5% (35.4% at constant exchange rate) compared to 3Q07
- EBIT margin of 66.1% for 3Q08 and 65.7% for 9M08
- Autumn order book of EUR 9.0 million, down 62.6% vs 2007, mainly due to the usual post-olympic phenomenon combined with overall industry slow-down
- Studio represents 40.6% of that order book to be invoiced in 2008
- As expected, 2008 to be a double-digit growth year
- Payment of a EUR 1.00 gross interim dividend per share, up 25%, end November
- 2009 to be a transition year

Liège (Belgium), November 13, 2008, 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 third quarter (“3Q08”) and the first nine months (“9M08”) of 2008.

### Key highlights

Pierre L’Hoest, CEO of EVS said: “2008 is the best year so far for EVS. Not only our business reaches new heights but our products and our service teams have demonstrated their strengths and flexibility, especially around Beijing 2008, that has been the biggest TV production ever. We are currently accelerating the development of new solutions and products to improve the workflow of our customers. In 2009, 2010 and beyond, EVS shall continue to benefit from the structural long term growth drivers like tapeless transition, higher TV production efficiency requirements, high definition and more diversified TV sports.”

Commenting on the results and perspectives, Jacques Galloy, CFO added: “In this third quarter, both sales and profit were at a record level, positively impacted by the EUR 6.9 million rental agreements relating to the Beijing Olympics. As a consequence and despite the weaker order book, we confirm our double-digit growth year for 2008. Next year is an odd year without any major sporting event and shall be a transition year. Whether the economic downturn might affect our business over time will depend on the depth and length of the downturn. Typically, our sports driven business, which represents most of our revenue has been somewhat resistant to economic downturns but fluctuates according to specific sport event patterns while the company is continuously gaining market shares in the TV Studio production market.”

(unaudited)			IFRS - EUR millions, except earnings per share expressed in EUR	(unaudited)		
3Q08	3Q07	3Q08/3Q07		9M08	9M07	9M08/9M07
37.2	24.4	+52.9%	Revenue	97.0	67.5	+43.7%
24.6	15.8	+55.9%	Operating profit – EBIT	63.7	43.5	+46.4%
66.1%	64.9%	+129ppt	Operating margin – EBIT %	65.7%	64.5%	+122ppt
-0.7	-0.7	-7.6%	Contribution from 47.2% XDC affiliate	-2.1	-1.7	+21.9%
16.4	9.9	+66.0%	Net profit – Group share	43.3	28.0	+54.7%
17.2	10.7	+60.5%	Net profit from operations, excl. XDC – Group share <sup>(1)</sup>	46.2	30.6	+50.9%
1.21	0.73	+66.0%	Basic earnings per share	3.19	2.06	+54.8%
1.26	0.79	+60.5%	Basic earnings per share from operations, excl. XDC <sup>(1)</sup>	3.40	2.25	+50.9%

(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 6.3: use of non-GAAP financial measures.

## Revenue

EVS Broadcast revenue reached **EUR 37.2 million** in 3Q08, an increase of 52.9% at actual exchange rates (+58.3% at constant exchange rate). In the outside broadcast segment, sales grew by 43.7% to EUR 20.5 million. The studio sales increased by 65.8% to EUR 16.7 million, which represented 44.8% of total 3Q08 sales, compared to 41.3% in 3Q07.

3Q08	3Q07	% 3Q08 / 3Q07	Revenue – EUR millions <sup>(1)</sup>	9M08	9M07	% 9M08 / 9M07
37.2	24.4	+52.9%	Total reported	97.0	67.5	+43.7%
38.2	24.4	+56.8%	Total at constant exchange rate	100.2	67.5	+48.4%
31.1	24.0	<b>+29.6%</b>	<b>Total at constant exchange rate excluding big events rentals</b>	91.2	67.2	<b>+35.7%</b>

(1) Refer to the geographical segmentation in annex.

Europe, Middle-East and Africa (“**EMEA**”) revenue **increased by 83.5%** in 3Q08 to EUR 20.0 million. Besides the different deals relating to the big sporting events of this summer (EUR 1.5 million of the Beijing rental agreements related to the EMEA market), the EVS solutions have been selected by large clients for their new investments. For instance, Mediapro in Spain has acquired the TV rights for the main Spanish football clubs for the next 8 years, and has just launched a dedicated Football TV station “GOL TV” that is equipped with a full EVS solution to support its entire HD tapeless production workflow. While it is clear that the economic slowdown will have a negative impact on HD flat screens sales towards consumers, our business-to-business sales in EMEA are supported by some HDTV initiatives that have been launched by various broadcasters, IPTV, cable, or satellite players across Europe in 2008. At last, the EMEA region shall benefit from stronger USD in order to gain more market shares in studio.

America’s revenue (“**NALA**”) increased by 23.5% (**35.4% at constant exchange rate**) to EUR 10.0 million, representing 27.0% of group sales in 3Q08. The replacement cycle of outside broadcast trucks migrating to HDTV remains a key sales driver in the U.S., together with important studio project wins with premium customers, notably in relation with the Presidential elections early November. Full year 2008 sales in NALA expressed in USD are expected to remain quite stable compared to 2007. Shortage of small and medium size broadcast trucks looms. The EVS presence in the arenas is also gaining momentum, with, for instance, the New-York Yankees purchasing three XT[2] servers, two IPDirector and one XF[2] for their brand new stadium. E! Entertainment selected EVS to go tapeless in their studio, and for file-based transfer to their Avid non-linear editor.

EVS revenue **increased by 35.1%** in Asia & Pacific (“**APAC**”) to EUR 7.2 million. APAC represents 19.3% of group revenue in 3Q08. EVS teams supported successfully the Beijing Olympics with more than 700 XT[2] servers and hundreds of applications like Live Slow Motion, IPDirector or CleanEdit, in China but also overseas in the home facilities of many broadcasters that have to manage significant time zone shifts and produce so much content in a quick process. China Central Television (CCTV), the sole provider of Olympics coverage to China during this year’s Summer Games in Beijing, used the EVS’ XT[2] server and related software and hardware to manage the live and near-live production of the Games in HD. On the back of these successes, EVS has just demonstrated its latest solutions in the largest Chinese broadcast tradefair “BIRTV”. The business in both Japan and Korea is slowing down partly as a result of both Yen and Won sharp fall of 30% against the Euro over the last 40 days.

Mid September, EVS was present at the IBC in Amsterdam, the biggest European tradeshow in the broadcast industry. Clients were really happy with the latest developments in the EVS range of products and solutions, and the efforts of EVS were recognized with three awards:

- “**TVBEurope Best of IBC**” award for IPEdit, which offers timeline editing functionalities with unmatched speed performance based on the XT[2] server’s reactivity with no rendering process required for playout
- “**TV Technology Star2008**” award for XT2web, solution combining web and broadcast technologies and allowing access to XT[2] production server clips and associated metadata through an intuitive web interface, offering clipping, playlist creation and download capabilities. This recognition underlines once again the importance of a live sharing between the OB van and the studio, what is the basic for split-production concept.
- **IBC 2008 Innovation award for “Content Delivery”** for the production of Live Earth. Live Earth 24 hours around-the-globe concerts raised awareness on the global warming. EVS technology was involved in the live production by delivering its XT[2] platform and the IPDirector to manage the recording and transfer of clips and live feed on the MSN web platform.

## Operating results

**Consolidated gross margin was 86.8% for 3Q08** and 86.8% for 9M08 (87.4% in 3Q07 and 87.6% in 9M07). Despite higher operating expenses (+48.0% in 3Q08), partially relating to the operations reinforcement, higher sales commissions paid to some distributors and higher expenses related to the annual IBC tradeshow in September, the **operating (EBIT) margin increased to 66.1% of revenue**, compared to 64.9% in 3Q07. This is the consequence of both operating leverage and favorable product mix, despite the negative USD impact on sales. At the end of September 2008, EVS employed 227 people (FTE), an increase by 23% since the end of September 2007, underlying once again the deliberate commitment of EVS to further strengthen and expand its organization to support its future growth.

During the third quarter of 2008, the average US dollar exchange rate against the Euro decreased by 9.6%. It had a negative impact of EUR 1.4 million (3.8%) on revenue and of EUR 1.1 million (4.2%) on the EBIT. This was offset by the natural hedge (both on operating expenses and foreign taxes) and by the financial hedge. The company hedges 50% its 12 months forward net cash flows in US dollar.

**XDC**, the EVS 47.2% affiliate pioneer in digital cinema, is deploying its first screens (on a total of 193 screens to be deployed) at Cineplexx (Austria) under the VPF model (Virtual Print Fee: subsidization agreements). XDC and FORTIS have just signed a mandate to structure a financing of EUR 100 million. In 3Q08, XDC contributed an operating loss of EUR -0.7 million at equity to EVS results. XDC is still raising some third party equity next to existing shareholders contributions. Break-even is not expected before 2012, what is usual for a major infrastructure deployment project that shall generate significant traffic (movies, teasers and advertising files). In the meantime, the XDC teams continue to successfully offer the VPF proposal to many exhibitors in Europe,

Net profit amounted to EUR 16.4 million in 3Q08 (EUR 43.3 million in 9M08), or 66.0% higher than 3Q07 (+54.7% compared to 9M07), while net profit from operations, excluding XDC, was EUR 17.2 million in 3Q08 (EUR 46.2 million in 9M08). **Basic net profit per share amounted to a record EUR 1.21 in 3Q08**, up 66.0% compared to EUR 0.73 for 3Q07 (EUR 3.19 in 9M08 compared to EUR 2.06 in 9M07).

## Net cash and capital

The net cash from operating activities amounted to EUR 47.5 million in 9M08. On September 30, 2008, the group balance sheet shows EUR 55.4 million in cash and cash equivalents, and EUR 2.6 million in long-term financial debts. At the end of September, there were 13,586,366 EVS outstanding shares, i.e. 13,875,000 subscribed shares out of which 288,634 were owned by the company. During 9M08, EVS repurchased 103,278 shares for a total value of EUR 6.2 million. At September 30, 2008, 126,650 warrants were outstanding.

## Outlook

Executing its **“Speed to Air”** strategy, EVS serves hundreds of TV stations 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 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 transition to tapeless workflows (from 65% 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 **autumn order book** (to be invoiced in 2008) reaches **EUR 9.0 million**, compared to EUR 24.0 million on the same date one year ago (hence to be invoiced in 2007) and EUR 14.8 million for the 2006 autumn order book, which followed the Soccer World Cup in June. The autumn order book is made of:

- the open order book as of October 1, 2008: EUR 6.1 million (vs. EUR 13.8 million as of October 1, 2007, and EUR 9.9 million in 2006)
- orders intake during the month of October 2008: EUR 2.9 million (vs. EUR 10.2 million last year, and EUR 4.9 million in 2006).

Studio orders represent 40.6% of the total EUR 9.0 million order book to be invoiced on 2008 and studio orders represent 36.1% of the total order intake over the first 10 months of 2008.

In addition to the EUR 9.0 million of order book to be invoiced in 2008, EVS has already orders for EUR 2.6 million that will be invoiced after 2008 (compared to EUR 7.3 million one year ago).

Even if the current visibility remains even more limited than usual, based on current market conditions, the Board expects **2008 to be a double digit sales and earnings growth year, driven in particular by the Euro 2008, the Olympics and studio segment acceleration.**

Following some very strong quarters, the company currently experiences a slowdown in sales, as illustrated by the order book decline of 63% compared to 2007. This is mainly the consequence of "EVS typical" post-big-sport-event syndrome, like in Autumn 2006 and Autumn 2004. The market has captured much EVS technology capacity ahead of the big sport events (both in outside broadcast and in studio environments) and takes some time to rebalance. Of course, EVS, like the overall industry does also feel the current macroeconomic slowdown. Therefore, the Board expects a weak Q4.

2009 is an odd year without any major sporting events and **2009 should be a transition year.** While we expect the global economy and therefore the broadcast industry to slowdown in 2009, EVS' sport driven business like the numerous regular championships, are a good hedge. The cost base of the group shall remain stable. The second half year should overperform the first half thanks to the traction of the Winter Olympics in Vancouver (January 2010), the World Cup Football in South Africa in Summer 2010, the Commonwealth Games, the Asian Games and many other events in 2010. EVS strategic plan is based on long term structural growth drivers (as mentioned above) and the company shall focus on it in order to maintain its market share in Outside Broadcast, grow both its addressable market and market share in the TV Studio Production segment while emerging stronger when the recovery takes hold.

The real launch of HDTV in Europe for consumers, the growing presence of EVS inside TV studios, the worldwide globalization of sporting events and the simulcast and catch up of live events on new media are the main growth drivers for the future.

#### **Interim dividend**

Given the strong performance of the current year and its confidence in the future long term prospects of the company, the Board of Directors has decided to distribute an interim gross dividend of EUR 1.00 per share (or EUR 0.75 net per share after deduction of 25% withholding tax), up 25% compared to the 2007 interim dividend of EUR 0.80 per share. The ex-date for Coupon # 7 (ISIN: BE0003820371) is Monday November 17, 2008, and the payment date is Monday November 24, 2008.

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

- Financial analysts & investors meeting in French/Dutch in Liège at 10:00 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).

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

#### **Status of the control by the Statutory Auditors**

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

With regards to the interim dividend, the auditor has performed a limited review of the statutory accounts of EVS Broadcast Equipment S.A. at September 30, 2009, as required by law and in accordance with the relating standards of the Belgian Institute of auditors (IBR/IRE).

**Corporate Calendar:**

Monday November 17, 2008	Ex-date of the interim dividend coupon #7
Monday November 24, 2008	Pay date for the interim dividend coupon #7
Friday November 28, 2008	EGM relating to the merger by absorption of Dwesab by EVS
Wednesday December 24, 2008	Postponed EGM relating to the merger by absorption of Dwesab by EVS
Thursday February 19, 2009	FY2008 revenue & earnings
Thursday May 14, 2009	1Q09 revenue & earnings
Tuesday May 19, 2009	Ordinary Shareholders Meeting

**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 Group designs, develops and markets professional digital equipment for Television (EVS Broadcast) and Cinema (XDC). The Group employs over 240 persons for broadcast equipment 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 280 digital screens throughout the world in China, Germany, Sweden, Brazil, the United States, France, Belgium, etc.*

## Condensed financial statements

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

(EUR thousands)	Annex	3Q08 Unaudited	3Q07 Unaudited	9M08 Unaudited	9M07 Unaudited
Revenue	2	37,237	24,359	97,043	67,524
Costs of sales		-4,924	-3,071	-12,805	-8,365
<b>Gross Profit</b>		<b>32,312</b>	<b>21,287</b>	<b>84,237</b>	<b>59,158</b>
<b>Gross Margin %</b>		<b>86.8%</b>	<b>87.4%</b>	<b>86.8%</b>	<b>87.6%</b>
Selling and administrative expenses		-5,192	-3,424	-12,865	-9,917
Research and development expenses		-2,516	-1,783	-7,020	-4,780
Other revenue		67	153	171	336
Other expenses		23	-344	-56	-397
Stock based compensation and ESOP plan		8	-9	-508	-622
Depreciation on Tax Shelter rights assets		-75	-84	-225	-252
<b>EBITDA</b>		<b>25,560</b>	<b>16,171</b>	<b>66,246</b>	<b>44,970</b>
<b>Operating Profit (EBIT)</b>		<b>24,629</b>	<b>15,797</b>	<b>63,735</b>	<b>43,527</b>
<b>Operating Margin (EBIT) %</b>		<b>66.1%</b>	<b>64.9%</b>	<b>65.7%</b>	<b>64.5%</b>
Net interest		258	245	950	770
Other net financial income/(expenses)		84	-393	686	-749
Share in the result of the enterprise accounted for using the equity method	6.9	-643	-694	-1,961	-1,548
<b>Profit before taxes (PBT)</b>		<b>24,327</b>	<b>14,955</b>	<b>63,411</b>	<b>42,000</b>
Income taxes	6.7	-7,906	-5,065	-20,067	-13,990
<i>Tax rate</i>		32.5%	33.9%	31.6%	33.3%
<b>Net profit from continuing operations</b>		<b>16,421</b>	<b>9,890</b>	<b>43,344</b>	<b>28,010</b>
<b>Net profit</b>		<b>16,421</b>	<b>9,890</b>	<b>43,344</b>	<b>28,010</b>
Attributable to :					
Minority interests		-	-	-1	-
<b>Equity holders of the parent company</b>		<b>16,421</b>	<b>9,890</b>	<b>43,343</b>	<b>28,010</b>
<b>Net profit from operations, excl XDC – share of the group <sup>(1)</sup></b>	6.3	<b>17,162</b>	<b>10,692</b>	<b>46,153</b>	<b>30,589</b>
<b>RESULT PER SHARE</b>	6.6	<b>3Q08 Unaudited</b>	<b>3Q07 Unaudited</b>	<b>9M08 Unaudited</b>	<b>9M07 Unaudited</b>
<i>(in number of shares and in EUR)</i>					
Weighted average number of subscribed shares for the period less treasury shares		13,586,511	13,583,129	13,582,483	13,590,352
Weighted average fully diluted number of shares		13,696,589	13,754,779	13,703,848	13,761,707
<b>Basic earnings – share of the group</b>		<b>1.21</b>	<b>0.73</b>	<b>3.19</b>	<b>2.06</b>
<b>Fully diluted earnings – share of the group</b>		<b>1.20</b>	<b>0.72</b>	<b>3.16</b>	<b>2.04</b>
<b>Basic net profit from operations, excl XDC – share of the group</b>		<b>1.26</b>	<b>0.79</b>	<b>3.40</b>	<b>2.25</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 6.3: use of non-GAAP financial measures.

## ANNEX 2: EVS GROUP – SEGMENT REPORTING

### 2.1. General information

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

### 2.2. Additional information

#### 2.2.1. 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.

3Q08	3Q07	% 3Q08 /3Q07	Revenue (EUR thousands)	9M08	9M07	% 9M08/ 9M07
20,547	14,295	+43.7%	Outside Broadcast Vans	60,136	47,603	+26.3%
16,690	10,064	+65.8%	TV Production Studios	36,907	19,920	+85.3%
<b>37,237</b>	<b>24,359</b>	<b>+52.9%</b>	<b>Total Revenue</b>	<b>97,043</b>	<b>67,524</b>	<b>+43.7%</b>

#### 2.2.2. Geographical information

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

##### 2.2.2.1. Revenue

Revenue for the 9-months period (EUR thousands)	APAC	EMEA	NALA	TOTAL
<b>9M08 revenue</b>	<b>20,041</b>	<b>53,274</b>	<b>23,728</b>	<b>97,043</b>
<b>Evolution versus 9M07 (%)</b>	<b>+26.2%</b>	<b>+104.5%</b>	<b>-7.3%</b>	<b>+43.7%</b>
Segment revenue at constant exchange rate	20,041	53,274	26,864	100,179
Variation versus 9M07 (%) at constant exchange rate	+26.2%	+104.5%	+4.9%	+48.4%
Variation versus 9M07 (%) at constant exchange rate and excluding big event rentals	+0.4%	+91.0%	-2.9%	+35.7%
<b>9M07 revenue</b>	<b>15,879</b>	<b>26,046</b>	<b>25,599</b>	<b>67,524</b>

Revenue for the quarter (EUR thousands)	APAC	EMEA	NALA	TOTAL
<b>3Q08 revenue</b>	<b>7,194</b>	<b>20,001</b>	<b>10,043</b>	<b>37,237</b>
<b>Evolution versus 3Q07 (%)</b>	<b>+35.1%</b>	<b>+83.5%</b>	<b>+23.5%</b>	<b>+52.9%</b>
Segment revenue at constant exchange rate	7,194	20,001	11,012	38,207
Variation versus 3Q07 (%) at constant exchange rate	+35.1%	+83.5%	+35.4%	+56.8%
Variation versus 3Q07 (%) at constant exchange rate and excluding big event rentals	-41.9%	+69.7%	+22.3%	+29.6%
<b>3Q07 revenue</b>	<b>5,324</b>	<b>10,901</b>	<b>8,135</b>	<b>24,359</b>

Sales from external clients in Belgium (the country of origin of the company) represent less than 10% of the total annual sales. In 9M08, 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 19.8 million in 9M08, compared to EUR 22.0 million in 9M07.

#### **2.2.2.2. Long term assets**

Considering the explanations given in 2.1, all long term assets are located in the parent company EVS Broadcast Equipment S.A. in Belgium.

#### **2.2.3. Information on important clients**

No external client of the company represents more than 10% of the year-to-date sales.

### ANNEX 3: EVS GROUP – IFRS CONSOLIDATED BALANCE SHEET

ASSETS (EUR thousands)	Annex	30.09.08 Unaudited	31.12.07 Audited
<b>Non-current assets :</b>			
Goodwill relating to DWESAB	6.8	1,045	-
Intangible assets		643	830
Lands and buildings		8,865	7,493
Other tangible assets		2,112	2,118
Investment accounted for using equity method	6.9	2,854	4,815
Subordinated bond	6.9	2,850	2,850
Other financial assets		188	307
Deferred tax assets		60	94
<b>Total non-current assets</b>		<b>18,617</b>	<b>18,507</b>
<b>Current assets :</b>			
Stocks		8,962	5,594
Trade receivables		22,720	14,354
Other amounts receivable, deferred charges and accrued income		370	1,006
Cash and cash equivalents	4	55,429	35,515
<b>Total current assets</b>		<b>87,481</b>	<b>56,468</b>
<b>Total assets</b>		<b>106,098</b>	<b>74,976</b>
<b>EQUITY AND LIABILITIES (EUR thousands)</b>			
<b>Equity :</b>			
<b>Capital</b>		<b>8,342</b>	<b>8,342</b>
Reserves		96,583	73,013
Interim dividend	6.4	-13,586	-10,867
Treasury shares		-10,609	-8,090
<b>Total consolidated reserves</b>		<b>72,388</b>	<b>54,056</b>
Translation differences		-158	-257
<b>Equity attributable to equity holders of the parent company</b>		<b>80,572</b>	<b>62,141</b>
<b>Minority interests</b>		<b>6</b>	<b>5</b>
<b>Total equity</b>	<b>5</b>	<b>80,578</b>	<b>62,146</b>
Long term provisions		1,180	761
Deferred taxes liabilities		1,218	975
Financial long term debts		1,792	1,989
Government recoverable loans		546	546
<b>Non-current liabilities</b>		<b>4,736</b>	<b>4,271</b>
Short term portion of long term financial debts		296	309
Trade payables		4,397	2,679
Amounts payable regarding remuneration and social security		4,707	3,268
Income tax payable		9,144	1,335
Other amounts payable, advances received, accrued charges and deferred income		2,239	967
<b>Current liabilities</b>		<b>20,784</b>	<b>8,558</b>
<b>Total equity and liabilities</b>		<b>106,098</b>	<b>74,976</b>

## ANNEX 4: EVS GROUP – IFRS CONSOLIDATED CASH FLOW STATEMENT

(EUR thousands)	9M08 Unaudited	9M07 Unaudited
<b>Cash flows from operating activities</b>		
Operating Profit (EBIT)	63,735	43,527
Adjustment for non cash items :		
- Depreciation on fixed assets	1,071	959
- Foreign exchange result	674	-713
- Stock based compensation and ESOP	508	622
- Provisions and deferred taxes increase/(decrease)	696	100
	<b>66,683</b>	<b>44,494</b>
Increase (+)/decrease (-)		
- Amounts receivable	-8,453	-4,093
- Accruals	1,088	1,064
- Trade debts and prepayments	1,703	1,232
- Taxes, remuneration and social security debts	9,249	3,214
- Other amounts payable	-465	-1,105
- Inventories	-3,369	-844
<i>Cash generated from operations</i>	66,436	43,963
Interest received	1,100	914
Income taxes	-20,067	-13,990
<b>Net cash from operating activities</b>	<b>47,469</b>	<b>30,887</b>
<b>Cash flows from investing activities</b>		
Purchase (-)/disposal (+) of intangible assets	-1,157	-260
Purchase (-)/disposal (+) of property, plant and equipment	-2,139	-1,317
Purchase (-)/disposal (+) of leasing equipment	-	-
Purchase (-)/disposal (+) of other financial assets	119	-1,370
<b>Net cash used in investing activities</b>	<b>-3,176</b>	<b>-2,947</b>
<b>Cash flows from financing activities</b>		
Operations with treasury shares	-4,695	-1,106
Other net equity variations	-23	-82
Interest paid	-150	-143
Movements on long-term borrowings	-210	-524
Dividend paid	-19,300	-16,253
<b>Net cash used in financing activities</b>	<b>-24,378</b>	<b>-18,108</b>
<b>Net increase in cash and cash equivalents</b>	<b>19,915</b>	<b>9,831</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>35,515</b>	<b>28,935</b>
<b>Cash and cash equivalents at end of period</b>	<b>55,429</b>	<b>38,766</b>

**ANNEX 5: EVS GROUP – IFRS CONSOLIDATED STATEMENT  
OF CHANGES IN NET EQUITY**

<b>(in thousands EUR) - Unaudited</b>	<b>Issued capital</b>	<b>Available 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, 2006</b>	<b>8,342</b>	<b>47,884</b>	<b>-5,985</b>	<b>-112</b>	<b>50,129</b>	<b>4</b>	<b>50,133</b>
Increase (decrease) of equity capital resulting from company regrouping					-	1	1
Net profit of the year attributable to the shareholders of the parent company		28,010			28,010		28,010
Operations with treasury shares		347	-1,106		-759		-759
Dividends		-16,323			-16,323		-16,323
Currency translation differences				-99	-99		-99
Other increase (decrease)		15			15		15
<b>Balance as per September 30, 2007</b>	<b>8,342</b>	<b>59,933</b>	<b>-7,091</b>	<b>-211</b>	<b>60,973</b>	<b>5</b>	<b>60,978</b>

<b>(EUR thousands) - Unaudited</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					-	1	1
Net profit of the year attributable to the shareholders of the parent company		43,344			43,344		43,344
Operations with treasury shares		-2,177	-2,519		-4,696		-4,696
Dividend		-20,195			-20,195		-20,195
Currency translation differences				99	99		99
Other increase (decrease)		-121			-121		-121
<b>Balance as per September 30, 2008</b>	<b>8,342</b>	<b>82,997</b>	<b>-10,609</b>	<b>-158</b>	<b>80,572</b>	<b>6</b>	<b>80,578</b>

## ANNEX 6: EVS GROUP – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

### NOTE 1: BASIS OF PREPARATION

The consolidated financial statements of EVS Group for the 9 months period ended September 30, 2008 are established under International Financial Reporting Standards (IFRS), as adopted for use in the European Union. These financial statements are presented in accordance with International Accounting Standards (IAS) 34 *Interim Financial Reporting*.

### 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 31 December 2007 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the 2007 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)	9M08	9M07
Net profit for the period - IFRS	43,343	28,010
Allocation to Employees Profit Sharing Plan	386	491
Stock Option Plan	122	131
Depreciation on Tax Shelter rights assets	225	252
Contribution of XDC	2,077	1,705
<b>Net profit from operations, excl. XDC</b>	<b>46,153</b>	<b>30,589</b>

### NOTE 4: DIVIDENDS

The Board of Directors of November 6, 2008 has decided to pay an interim gross dividend of EUR 1.0 per share for the fiscal year 2008, with November 17, 2008 as ex-date and November 24, 2008 as payment date.

(EUR thousands)	# Coupon	9M08	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>33,781</b>	<b>27,190</b>

## NOTE 5: EQUITY SECURITIES

The number of treasury shares has changed as follows during the period:

	2008	2007
<b>Number of own shares at 1 January</b>	<b>305,871</b>	<b>272,209</b>
Acquisition of own shares on the market	103,278	24,775
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-4,961	-5,113
Sales related to Employee Stock Option Plan (ESOP) and other transactions	-115,554	-
Own shares cancellation	-	-
<b>Number of own shares at 30 September</b>	<b>288,634</b>	<b>291,871</b>
<b>Outstanding warrants at 30 September</b>	<b>126,650</b>	<b>171,650</b>

Over the first nine months of 2008, the Board has decided to repurchase 103,278 own shares on the stock market for a global value of EUR 6.2 million, representing an average acquisition price of EUR 60.4 per share. The Ordinary General Meeting of shareholders of May 20, 2008 approved the allocation of 4,961 shares to the EVS employees (20 to 40 shares) as a reward for their contribution to the group successes.

In the third quarter 2008, the management of the company has decided to grant warrants to some employees of the Group. As a consequence, 126,650 warrants are outstanding with an average strike price of EUR 46.41 and an average maturity of 3 years.

## NOTE 6: 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 7: INCOME TAX

### Reconciliation of the tax charge

The effective tax charge of the group obtained by applying the effective tax rate to the pre-tax profit of the group, has been reconciled for the first nine months of 2007 and 2008 with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	9M08	9M07
<b>Reconciliation between the effective tax rate and the theoretical tax rate</b>		
Reported profit before taxes and share in the result of the enterprise accounted for using the equity method	65,371	43,548
Reported tax charge based on the effective tax rate	-20,067	-13,990
<b>Effective tax rate</b>	<b>30.7%</b>	<b>32.1%</b>
<b>Reconciliation items for the theoretical tax charge</b>		
Tax effect of Tax Shelter	-191	-191
Tax effect of deduction for notional interests	-306	-130
Tax effect of non deductible expenditures	138	136
Other increase (decrease)	161	240
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-20,266	-13,935
<b>Theoretical tax rate (relating to EVS operations, excl. XDC)</b>	<b>31.0%</b>	<b>32.0%</b>

## NOTE 8: ACQUISITION OF D.W.E.S.A.B. ENGINEERING BVBA

On September 4, 2008, EVS announced the acquisition of 100% of the share capital of D.W.E.S.A.B. Engineering BVBA, small profitable Belgian company that is specialized in service and software R&D for operating workflows, reality-TV and management of TV stations. As a result of the acquisition, a goodwill of EUR 1.0 million has been recorded on the balance sheet of EVS. The DWESAB acquisition increases the product portfolio of the group, especially in the studio segment and broadens the software skills of R&D.

Goodwill is the difference between the cost of the acquisition and the net fair value of the identifiable assets, certain liabilities and eventual liabilities. The goodwill is not depreciated but must be reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, in accordance with IAS 36.

In order to simplify the legal structure of the group, the Board proposes to let D.W.E.S.A.B. Engineering BVBA be absorbed by EVS Broadcast Equipment S.A. with an effective date as of October 1, 2008. Therefore, the Board has invited the shareholders to a forthcoming Extraordinary General Meeting next Friday 28 November 2008 in order to decide on this operation.

## NOTE 9: INVESTMENTS IN ASSOCIATES - XDC S.A.

Since June 27, 2006, EVS owns 47.20% of XDC S.A. that is therefore accounted for according to the net equity method. As of September 30, 2008, XDC shares accounted for using equity method amounted to EUR 2.3 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 2.9 million.

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

<b>(EUR thousands)</b>	<b>9M08</b>	<b>9M07</b>
Revenue	4,193	1,912
EBITDA	-291	-1,136
<b>Net result for the period</b>	<b>-4,402</b>	<b>-3,612</b>
Part of XDC capital held by EVS	47.2%	47.2%
<b>Net result – share of EVS</b>	<b>-2,077</b>	<b>-1,705</b>

The cumulated Tax Loss Carry Forward of XDC S.A. amounts to EUR 22.7 million on September 30, 2008. Deferred tax assets are being progressively recognized as the business plan materializes. As at September 30, 2008, 24% of deferred tax assets relating to these losses have been recognized, increasing XDC net equity by EUR 1.8 million.

## NOTE 10: HEADCOUNT

<b>(in full time equivalents)</b>	<b>EVS – TV</b>
As at September 30, 2007	184
As at September 30, 2008	227
<i>Variation</i>	<i>+23.4%</i>

The group has recruited additional staff to reinforce R&D, Sales & Marketing, Training and Field Engineers to pursue its growth.

## NOTE 11: EXCHANGE RATES

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

	9M	Q3
Average exchange rate 2008	1.5218	1.5050
Average exchange rate 2007	1.3442	1.3738
Variation	-13.2%	-9.6%

  

	At September 30
2008	1.4303
2007	1.4179
Variation	-0.9%

## NOTE 12: 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 September 30, 2008, the group held USD 13.0 million in forward exchange contracts earmarked to hedge 50% of the net future cash-flows in dollars with an average maturity date of April 15, 2009 and with an average exchange rate EUR/USD of 1.4784.

## NOTE 13: SUBSEQUENT EVENTS

There is no significant subsequent event.

## NOTE 14: RISK AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2008 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)).

## NOTE 15: RELATED PARTIES TRANSACTIONS

There were no significant related parties transactions during the first nine months of 2008.

Last September 24, 2008, 65,450 warrants at a strike price of EUR 54.59 and first exercise date next March 1, 2012, had been granted and have been accepted by EVS staff.

## Certification of responsible persons

Pierre L'Hoest, Managing Director and CEO  
Michel Counson, Managing Director and CTO  
and Jacques Galloy, Director and CFO

Certify that, based on their knowledge,

- the interim 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,
- the Directors' report fairly presents the important events and related parties transactions of the first nine months of 2008, including their impact on the interim condensed financial statements, and a description of the existing risks and uncertainties.