
PRESS RELEASE – 6 SEPT 07 – Before market opening



Liège (Belgium), 6 September 2007, EVS Broadcast Equipment S.A. (ISIN BE0003820371, Euronext EVS.BR, Bloomberg EVS BB, Reuters EVSB.BR, OTC Pinksheets EVBEF), the leader in Professional Digital Video applications for Live, Near-Live and Studio TV Production, today reports its results for the second quarter 2007 ("2Q07") and first half year 2007 ("1H07"):

Highlights:

- **2Q07 SALES BEAT EARLIER EXPECTATIONS : 23,3 MILLION EUR, +6% vs. 2Q06**
- **AMERICA'S UP 81%, ASIA & PACIFIC UP 61% COMPENSATE EUROPE DOWN 38%**
- **2Q07 EBIT OF 14.8 MILLION EUR, UP 10%**
- **2Q07 EPS OF 0.75 EUR, UP 19%**
- **SUMMER ORDERBOOK OF 29,0 MILLION € OR +1%**
- **STUDIO REPRESENTS 43% OF THAT ORDERBOOK**
- **A POSITIVE CONSOLIDATION YEAR**
- **VISIT OUR NEW WEBSITE www.evs-global.com**

Group Revenue and Performance

Pierre L'Hoest, CEO of EVS said: "While we were expecting a weaker first half year following the large sport events of 2006, our products have continued to gain market shares at broadcasters and TV production companies. Overall, we have achieved **sales growth of 6%** for 2Q07 to 23,3 million EUR compared to 2Q06 that was driven by the World Cup. The slowdown in Europe has been more than offset by stronger America's and Asia-Pacific. Our key digital products **XT[2]®** and **[IP]Director®** are the right answer to tapeless replacement and HD transition to most of our markets."

Commenting on the results, Jacques Galloy, CFO said: "The group pursues its organic growth. First, we have hired 50% additional staff over the last 24 months, especially to reinforce and speed up **R&D**. Second, we are opening new offices abroad to strengthen our **global footprint**. While investing for future growth, we benefit from strong operational gearing as we enter the studio market and we deliver another strong quarter with a **63% EBIT margin**."

Revenues – in million EUR TV Systems (Broadcast) ⁽¹⁾	2Q06	2Q07	% 2Q07 / 2Q06	1H06	1H07	% 1H07 / 1H06
Total reported	21,9	23,3	+6%	42,1	43,2	+3%
Total at constant exchange rate	21,9	24,1	+10%	42,1	44,6	+6%
Total at constant exchange rate excluding big events rentals	20,1	24,1	+20%	38,6	44,6	+16%

(1) Refer to the geographical segmentation in annex 2.

As announced in the trading update last July 12, 2007, **2Q07 sales beat expectations and grew by +20% at constant exchange rate** and excluding non recurring large rental agreements. First, the **American** market is pursuing its fast HDTV deployment thus calling for more and more HDTV production tools. Despite the weaker USD currency, the great performance for 2Q07 (sales of 9,5 million EUR, up 81%) is mainly due to the equipment of many new HD OB vans, network affiliates and sport arenas. The seamless video and audio files transfer between EVS and leading post-production applications helps improving our customers' efficiency, thus allowing more valuable time for the creative process. America's represent 41% of group sales for 2Q07. Second, the **Asia & Pacific** region continues to outperform with 2Q07 sales up 81% to 5,5 million EUR. Ahead of the Beijing Olympics, HD systems have been sold to OB (Outside Broadcast) vans that shall first be used for Chinese sports coverage before being used during the summer Olympics 2008.

However, the main growth driver is the sale of many XT[2]® servers combined with the [IP]Director® to replace tape based workflows in near-live multi-camera's studio environments. As expected, the **European** market booked revenues of 8,3 million EUR, a decrease of 38% compared to a strong 2Q06 driven by big sport events and related rental agreements. Weaker Germany (World Cup 2006) is partly compensated by stronger Mediterranean and Eastern Europe markets. HDTV penetration in the TV homes is increasing linearly and calls for much more HD content.

Operations, margins and result

Consolidated gross profit margin reached 88% for 2Q07, up from 83% over 2Q06 where margins were lower due to the contribution of less profitable big event rentals. Broadcast sales are mainly derived from software solutions based on standardized hardware. Operating expenses grew by 21% compared to the same quarter last year. First, Selling & Administrative expenses increased by 0,7 million EUR to 3,7 million EUR, mainly due to the reinforcement of the marketing efforts and also to the recruitment of sales executives in overseas offices. For instance, EVS has just opened a new subsidiary in Madrid (Spain). One should notice that the important NAB trade fair is expensed over 2Q. Second, Research and Development expenses are 1,5 million EUR, up 13%, more engineers joining EVS over the period. The group's staffing as of 30 June 2007 was 178 (excluding XDC), averaging 171 over 1H07, up 20% versus 1H06. The Shareholders Meeting of May 15, 2007 has granted 5.113 EVS shares to EVS employees as shares bonus incentive plan, what translates into 0,3 million expense over 2Q07.

The combination of higher sales, 21% operating expenses increase and absence of big event rentals lead to **2Q07 EBIT margin of 63%** compared to 62% for 2Q06.

The 47,2% affiliate XDC (pioneer in Digital Cinema) is deploying the 3rd generation of dedicated Digital Cinema Advanced servers and negotiating with distributors and exhibitors for the massive roll-out of digital screens. XDC contributed an operating loss of 0,5 million EUR at equity to EVS for 2Q07. This is an improvement compared to the loss of 1,8 million EUR for 2Q06 at a time EVS had higher exposure (60,17%) in XDC. That loss was more than compensated by the 60,17% to 47,20% dilution profit of 3,4 million EUR in 2Q06 EVS books.

Net profit for 2Q07 amounts 9,6 million EUR while **net profit from operations is 10,2 million EUR**, or 19% higher than 2Q06. Basic net profit from operations per share reaches 0,75 EUR over 2Q07, up 19% compared to 0,63 EUR for 2Q06. Excluding the negative contribution from affiliate XDC, the basic net earnings per share for 2Q07 is 0,74 EUR.

Net Cash and Capital

The net current cash-flow from TV operations reaches 18,5 million EUR over 1H07. On June 30, 2007, the group balance sheet shows 42,2 million EUR in cash at the bank and 2,5 million EUR in long-term bank debts. Taking into account the cash-out of the final 2006 dividend of 13,3 million EUR early July 2007, the adjusted net cash position amounts 26,4 million EUR. At the end of the quarter, there is 13.583.129 EVS outstanding shares, ie. 13.875.000 subscribed shares out of which 291.871 are owned by the company. At the same date, 171.650 warrants are outstanding.

Profit & Loss	2Q06	2Q07	1H06	1H07	1H07 /
Key Consolidated figures – IFRS in million EUR	Unaudited	Unaudited	Reviewed	Reviewed	1H06
Revenue	22,0	23,3	42,1	43,2	3%
Gross Profit %	83%	88%	85%	88%	+3 pct
Operating result - EBIT	13,5	14,8	27,6	27,7	0%
EBIT margin %	62%	63%	66%	64%	-2 pct
Profit before taxes and exceptional XDC dilution profit	10,1	14,3	24,3	27,0	11%
Contribution from 47% XDC affiliate	-1,1	-0,5	-1,8	-1,0	-44%
Exceptional XDC dilution profit (1)	3,4	-	3,4	-	n.a.
Income taxes	-4,3	-4,8	-9,1	-8,9	-2%
Net profit – Group share	11,5	9,6	20,1	18,1	-10%
Net profit from operations – Group share (2)	8,6	10,2	17,3	18,9	9%
Net profit margin %	39%	44%	41%	44%	+3 pct
Per share in EUR	2Q06	2Q07	1H06	1H07	1H07 /
	Unaudited	Unaudited	Reviewed	Reviewed	1H06
Weighted average number of subscribed shares for the period less treasury shares	13.649.553	13.588.852	13.677.916	13.593.936	
Weighted average number of fully diluted number of shares	13.796.553	13.760.365	13.824.916	13.765.145	
Basic earnings – share of the Group per share	0,84	0,70	1,47	1,33	-9%
Fully diluted earnings – share of the Group per share	0,83	0,70	1,46	1,32	-10%
Basic net profit from operations – share of the Group per share	0,63	0,75	1,26	1,39	10%

- (1) EVS share in XDC has decreased to 47,20% from 60,17% in June 2006, leading to a dilution profit and a change in the consolidation method of XDC stake in the consolidated accounts of EVS: XDC 47,20% stake is booked at equity method.
- (2) The net profit from operations is the net profit (share of the group) excluding non-recurring exceptional results, taking into account tax items.

Outlook 2007

Executing the “**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 on niche markets. The migration from tape-based operations towards integrated tapeless workflows is underway and will last during the next decade. This process is accelerated by the transition from Standard Television to High Definition Television because new equipment needs to interoperate with digital solutions which shall be High Definition.

Hence, EVS directly benefits from the following **long term growth drivers**: increasing number video distribution channels like IPTV, transition to tapeless workflows from 70% tapebased penetration today, replacement market due to HD format conversion, launch of new products to address the near-live studio production needs, demand of new “speedclipping” tools to fragment the content to multimedia environments, and an increased focus of broadcasters / IPTV and advertisers on large popular sports to gain new viewers. EVS currently benefits from this strong momentum due to all of these drivers. The Board and the teams believe that the underlying demand for EVS products will continue to be supported by the transition to HDTV which shall impact the business over a long period of time and shall follow usual equipment acquisition wave patterns.

The global **summer orderbook** reaches **29,0 million EUR** compared to 28,7 million EUR on the same date one year ago, that is +1%. The summer order book is made first of the open order book as of 1 July 2007 to be invoiced over the current fiscal year amounted to 16,5 million EUR (vs. 19,2 million in 2006, incl. 2,0 million EUR big events rentals) and secondly of orders received in July and August for sales to be invoiced in 2007 reaches 12,5 million EUR (vs. 9,5 million in 2006). Studio sales represent 43% of the orderbook and shall be around 30% of annual sales.

Although visibility remains limited as usual and the weakening dollar is not a favourable factor, based on current market conditions, the Board expects **2007 to constitute a positive consolidation between 2 strong years**.

Analyst & Press meeting and Conference Call

EVS will hold today an analyst and journalist meeting in Liège at 10:30 CET, with Pierre L'Hoest, CEO EVS Broadcast and Jacques Galloy, Group CFO. A **conference call in English will be held at 4:00 PM (CET)** to offer another opportunity to discuss the results and recent developments. Please contact corpcom@evs.tv to receive the dial-in number and the presentation.

Corporate Calendar:

Thursday 8 November 2007: 3Q07 sales & earnings
Thursday 21 February 2008: FY07 sales & earnings
Thursday 15 May 2008: 1Q08 sales & earnings
Tuesday 20 May 2008: Annual Shareholders Meeting

For more information, please contact:

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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 170 persons for broadcast equipment in 11 countries and sells its products to professionals of the video and audio sectors in more than 80 countries. EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371. For more information, refer to 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, B SkyB, FOX, RTL, NHK, CANAL+, ABC, ESPN, TF1, CCTV, PBS, CBS, BBC, ZDF and many others use EVS' solutions.

EVS 47,20% affiliate XDC is pioneering Digital Cinema Logistics and Play-out and operates between the movies distributors and exhibitors. XDC has installed more than 250 digital screens in Europe where it is market leader for end-to-end digital cinema solutions.

**EVS BROADCAST EQUIPMENT SA/NV - REPORT OF THE STATUTORY AUDITOR
ON THE LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2007 AND FOR THE SIX MONTHS THEN ENDED**

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of EVS Broadcast Equipment SA/NV (the "Company") as at 30 June 2007 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review ("revue limitée/beperkt nazicht" as defined by the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren") in accordance with the recommendation of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have not performed a limited review of the quarterly information and the "pro-forma" information shown in the interim condensed consolidated financial statements, therefore these are outside the scope of this report.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as adopted for use in the European Union.

Liège, September 6, 2007
BDO Atrio Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory auditor
Represented by
Félix FANK, Partner

ANNEX 1: EVS GROUP – IFRS CONSOLIDATED INCOME STATEMENT

(in thousands EUR)	Annex	2Q06 Unaudited	2Q07 Unaudited	1H06 Reviewed	1H07 Reviewed
Revenue	2	21.966	23.291	42.056	43.164
Costs of sales		-3.704	-2.719	-6.455	-5.294
Gross Profit %		83%	88%	85%	88%
Selling and administrative expenses		-2.950	-3.674	-5.036	-6.492
Research and development expenses		-1.370	-1.543	-2.550	-2.997
Other revenue		68	103	187	183
Other expenses		-48	-25	-81	-54
Stock based compensation and ESOP plan		-326	-566	-374	-613
Depreciation on Tax Shelter rights assets		-118	-84	-118	-168
EBITDA		14.026	15.519	28.542	28.799
Operating Profit (EBIT)		13.519	14.783	27.628	27.730
Operating Margin %		62%	63%	66%	64%
Net interest		162	283	275	525
Other net financial income / (expenses)		-234	-222	-281	-355
Share in the result of the enterp. accounted for using the equity method	7.7	41	-498	70	-854
Profit before taxes (PBT)		13.488	14.346	27.693	27.046
Income taxes	7.6	-4.333	-4.782	-9.133	-8.926
Net profit from continuing operations		9.155	9.564	18.560	18.120
Net gain/(loss) associated with the discontinued operations : (1) XDC operations contribution to cons'd accounts	7.7	1.602	-	392	-
Net profit		10.757	9.564	18.952	18.120
Attributable to :					
Minority interests (XDC)	7.7	693	-	1.180	-
Equity holders of the parent company		11.450	9.564	20.132	18.120
Net profit from operations – share of the group (2)	7.9	8.571	10.214	17.301	18.901
RESULT PER SHARE	7.5	2Q06 Unaudited	2Q07 Unaudited	1H06 Reviewed	1H07 Reviewed
<i>(in number of shares and in EUR)</i>					
Weighted average number of subscribed shares for the period less treasury shares		13.649.553	13.588.852	13.677.916	13.593.936
Weighted average number of fully diluted number of shares		13.796.553	13.760.365	13.824.916	13.765.145
Basic earnings – share of the group per share		0,84	0,70	1,47	1,33
Fully diluted earnings – share of the group per share		0,83	0,70	1,46	1,32
Basic net profit from operations – share of the group per share		0,63	0,75	1,26	1,39

(1) Until June 27, 2006, XDC was a 60,17% EVS affiliate. From June 27, 2006, XDC has been a 47,20% EVS affiliate and therefore accounted for at equity. 2006 and 2007 accounts are presented accordingly.

(2) The net profit from operations is the net profit (share of the group) excluding non-recurring exceptional results, taking into account tax items. Refer to annex 7, note 9.

ANNEX 2: EVS GROUP – SEGMENT REPORTING

The TV activities are split over 3 regions: Asia Pacific (“APAC”), Europe, Middle-East and Africa (“EMEA”) and North America and Latin America (“NALA”).

(in thousands EUR)	APAC	EMEA	NALA	TOTAL 1H07
TV sales 1H07	10.555	15.145	17.464	43.164
Evolution versus 2006 - %	27%	-36%	75%	3%
Segment Revenue at constant exchange rate	10.555	15.145	18.882	44.582
Evolution versus 2006 - % at constant exchange rate	27%	-36%	90%	6%

(in thousands EUR)	APAC	EMEA	NALA	TOTAL 1H06
Revenue				
TV sales 1H06	8.301	23.803	9.952	42.056

The EVS Group has a strong vertical integration located mainly in Belgium. Foreign subsidiaries are distribution and representation subsidiaries, which explains why most of investments and investment expenditure are concentrated in the parent company EVS Broadcast Equipment S.A..

We should also note that the EVS Group has a centralised cash management within Belgium and that only the subsidiaries based in the USA and in Hong Kong directly invoice the end customers for commercial reasons. All customers are invoiced in EUR except the United States of America, in US Dollar.

Segmenting the operating profit (EBIT) by region would not fundamentally change the understanding of the company. Indeed, according to the strong vertical integration of the group and its worldwide sale policy, that margin is quite similar over the 3 regions.

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

ASSETS (in thousands EUR)	Annex	31.12.06 Audited	30.06.07 Reviewed
Non-current assets :			
Intangible assets		715	586
Lands and buildings		5.429	5.389
Other tangible assets		1.099	1.190
Investment accounted for using equity method	7.7	6.174	5.987
Other financial assets		258	166
Total non-current assets		13.675	13.319
Current assets :			
Inventories		7.955	8.138
Trade receivables		11.601	15.756
Deferred tax assets		160	125
Other amounts receivable, deferred charges and accrued income		2.149	1.251
Cash and cash equivalents		28.935	42.198
Total current assets		50.799	67.468
Total assets		64.474	80.787

ANNEX 4: EVS GROUP – IFRS CONSOLIDATED BALANCE SHEET – LIABILITIES

EQUITY AND LIABILITIES (in thousands EUR)	Annex	31.12.06 Audited	30.06.07 Reviewed
Equity :			
Capital		8.342	8.342
Reserves		54.402	49.996
Interim dividend 2006	7.3	-6.519	-
Treasury shares		-5.985	-7.091
Total consolidated reserves		41.898	42.905
Translation differences		-112	-130
Equity attributable to equity holders of the parent company		50.128	51.117
Minority interests		4	5
Total equity		50.133	51.122
Long term provisions		361	461
Deferred taxes		266	262
Financial long term debts		2.323	2.165
Government recoverable loans		834	834
Non-current liabilities		3.784	3.722
Short term portion of long term financial debts		364	364
Trade payables		1.964	2.860
Amounts payable regarding remuneration and social security		2.765	2.111
Income tax payable		2.214	4.795
Other amounts payable, advances received, accrued charges and deferred income		3.250	15.814
Current liabilities		10.558	25.943
Total equity and liabilities		64.474	80.787

ANNEX 5: EVS GROUP – IFRS CONSOLIDATED CASH FLOW STATEMENT

(in thousands EUR)	1H06 Reviewed	1H06 Proforma EVS TV (1)	1H07 Reviewed
Cash flows from operating activities			
Profit before taxation	27.693	27.693	27.046
Adjustment for non cash items :			
- Share in the result of the enterp. accounted for using the equity Method	-70	-70	854
- Depreciation on fixed assets	653	653	629
- Foreign exchange result	-196	-196	-293
- Stock based compensation	247	247	347
- Provisions and deferred taxes increase/(decrease)	79	79	131
	28.407	28.407	28.714
Increase (+)/decrease (-)			
- Amounts receivable	-515	-244	-3.223
- Accruals	-1.051	-813	118
- Trade debts and prepayments	1.418	769	593
- Taxes, remuneration and social security debts	5.137	5.118	1.927
- Other amounts payable	-152	-313	-839
- Inventories	-1.019	-1.204	-182
Cash generated from operations	32.225	31.721	27.107
Interest received	366	366	618
Income taxes	-9.133	-9.133	-8.926
Net cash from operating activities	23.458	22.954	18.800
Cash flows from investing activities			
Purchase/disposal of intangible assets (including Tax Shelter investments)	-17	-10	-63
Purchase/disposal of property, plant and equipment	-2.912	-550	-488
Purchase/disposal of leasing equipment	-3.738	-	-
Purchase/disposal of other financial assets	37	39	-575
XDC dilution impact in investing activities	-7.665	-	-
Net cash used in investing activities	-14.295	-520	-1.127
Cash flows from financing activities			
Operations with treasury shares	-1.698	-1.775	-1.106
Other net equity variations (including ESOP)	-112	-423	-49
Interest paid	-91	-91	-93
Proceeds from long-term borrowings	3.062	-224	-158
Dividend paid	-7.857	-7.857	-3.003
Net cash used in financing activities	-6.695	-10.369	-4.410
Cash from XDC operations up to June 27, 2006			
EVS contribution to XDC share capital increases as of June 27, 2006	-	-4.097	-
Fully consolidated XDC loss as of June 27, 2006	-	2.977	-
Minorities share in XDC loss as of June 27, 2006	-	-1.180	-
EVS 60,17% down to 47,20% dilution profit as of June 27, 2006	-	-3.368	-
Net cash from XDC operations up to June 27, 2006	-	-5.668	-
Net increase in cash and cash equivalents	2.468	6.397	13.263
Cash and cash equivalents at beginning of period	26.227	22.299	28.935
Cash and cash equivalents at end of period	28.696	28.696	42.198

(1) For comparison purposes, assuming that XDC was accounted for using equity method as of December 31, 2005.

**ANNEX 6: EVS GROUP – IFRS CONSOLIDATED STATEMENT
OF CHANGES IN NET EQUITY**

(In thousands EUR)	Issued capital	Available reserves	Treasury shares	Currency translation differences	Equity attributable to shareholders of the parent company	Minority interest	Total Net Equity
Balance as per 31 December 2005	8.342	34.094	-4.220	-36	38.179	2.213	40.392
Increase (decrease) of equity capital resulting from company regrouping		-2.908			-2.908	-2.209	-5.117
Net profit of the year attributable to the shareholders of the parent company		18.952			18.952		18.952
Operations with treasury shares		283	-1.734		-1.451		-1.451
Dividends		-16.462			-16.462		-16.462
Currency translation differences				-39	-39		-39
Net profit of the year attributable to the minority interest		1.180			1.180		1.180
Other increase (decrease)		-74			-74		-74
Balance as per 30 June 2006	8.342	35.064	-5.954	-75	37.377	4	37.382

(in thousands EUR)	Issued capital	Available reserves	Treasury shares	Currency translation differences	Equity attributable to shareholders of the parent company	Minority interest	Total Net Equity
Balance as per 31 December 2006	8.342	47.884	-5.985	-112	50.129	4	50.133
Increase (decrease) of equity capital resulting from company regrouping					-	1	1
Net profit of the year attributable to the shareholders of the parent company		18.120			18.120		18.120
Operations with treasury shares		347	-1.106		-759		-759
Dividends		-16.323			-16.323		-16.323
Currency translation differences				-18	-18		-18
Other increase (decrease)		-32			-32		-32
Balance as per 30 June 2007	8.342	49.996	-7.091	-130	51.117	5	51.122

ANNEX 7: EVS GROUP – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2007

NOTE 1: BASIS OF PREPARATION

The consolidated financial statements of EVS group for the 6 months period ended 30 June 2007 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 31 December 2006 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the annual report 2006 on www.evs-global.com

NOTE 3: DIVIDENDS PROPOSED AND PAID

The Ordinary General Meeting of Shareholders of the Company decided last 15 May 2007 to distribute a final gross ordinary dividend of 1,68 EUR per share (out of which 0,48 have been paid out in December 2006 as interim dividend) for the accounting year 2006 which was payable at 20 June 2007. As of June 30, 2007, 13.3 million EUR have still to be cashed out to shareholders.

(In thousands EUR)

	2006	2007
- final dividend for 2005 (1,20 EUR per share less treasury shares)	16.462	
- Interim dividend for 2006 (0,48 EUR per share less treasury shares)	6.519	
- final dividend for 2006 (1,20 EUR per share less treasury shares)		16.323
	22.981	16.323

NOTE 4: EQUITY SECURITIES

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

	2006	2007
Number of own shares at 1 January	356.655	272.209
Acquisition of own shares on the market	144.000	24.775
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plan	-7.253	-5.113
Sales related to Employee Stock Option Plan (ESOP)	-	-
Own shares cancellation	-200.000	-
Number of own shares at 30 June	293.402	291.871
 Outstanding warrants at 30 June	147.000	171.650

Over 2007, the Board has decided to repurchase 24.775 own shares on the stock market for a global value of 1,2 million EUR, representing an average acquisition price of 49,41 EUR per share. The Ordinary General Meeting of Shareholders of May 15, 2007 has decided to allocate between 25 and 50 shares to any EVS Broadcast Equipment S.A. employee under certain conditions, representing 5.113 shares.

As of June 30, 2007, 171.650 warrants are outstanding with an average strike price of 20,68 EUR and an average maturity of 1,8 year.

NOTE 5: 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 6: INCOME TAX

6.1. 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 six first months of 2006 and 2007 with the theoretical tax charge obtained by applying the theoretical tax rate:

(In thousands EUR)	1H06	1H07
Reconciliation between the effective tax rate and the theoretical tax rate		
Reported profit before taxes	27.693	27.046
Reported tax charge based on the effective tax rate	-9.133	-8.926
Effective tax rate	33%	33%
Reconciliation items for the theoretical tax charge		
Tax effect of tax-exempt incomes and capital gains	-10	-
Tax effect of Tax Shelter	-128	-128
Tax effect of deduction for notional interests	-97	-86
Tax effect of non deductible expenditures	62	91
Tax effect of overvaluations and undervaluations related to prior years	240	-
Other increase (decrease)	371	394
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-8.694	-8.654
Theoretical tax rate (relating to EVS TV)	31%	32%

NOTE 7: DISCONTINUED OPERATION

On June 27, 2006, EVS diluted in XDC S.A. from 60,17% down to 47,20% following a non proportional share capital increase of 12,5 million EUR to which EVS contributed 2 million EUR. Based on the amended shareholders agreement, EVS lost its majority in the XDC Board of Directors and does not control XDC anymore as such. One third of the share capital subscription has been paid. This led to a change in the way XDC is reported in EVS accounts since June 30, 2006. However, for comparison purposes, the 2Q06 and 1H06 group accounts present XDC figures that are accounted for according to the net equity method. In 2006, following the 13% dilution, EVS has booked a dilution profit of 3,4 million EUR.

The XDC contribution breaks down as follows:

(In thousands EUR)	1H06	1H07
Revenue	907	1.523
EBITDA	-1.682	-547
Operating Profit (EBIT)	-2.898	-1.987
Net profit for the period	-2.976	-2.066
Part of XDC capital held	60,17%	47,20%
Net profit - share of the Group	-1.796	-975
Dilution profit on XDC refinancing	3.368	-
Total contribution	1.572	-975

No deferred tax asset relating to these losses has yet been recognised. The cumulated Tax Loss Carry Forward of XDC S.A. amounts to 12,5 million EUR on June 30, 2007.

NOTE 8: SEGMENT REPORTING

The primary reporting format is set by geographical area. Even though the Company is managed on a worldwide basis, it operates in three main geographical areas, as follows: EMEA (Europe, Middle-East and Africa), APAC (Asia and Pacific) and NALA (North America and Latin America). Given the centralisation of main corporate resources (R&D, Production, Marketing, Finance & Administration) in one central location, given the nature of the business, given the strong vertical integration of both group organisation and product design, the EBIT margin by geographical segment does not differ significantly from the consolidated group EBIT margin.

NOTE 9: NET PROFIT FROM OPERATIONS

The reconciliation between the net profit for the period and the net profit from operations is as follows:

<i>(In thousands EUR)</i>	1H06	1H07
Net profit for the period	20.132	18.120
Allocation to Employees Profit Sharing Plan (including XDC Plan)	375	530
Stock Option Plan (including XDC Plan)	44	83
Depreciation on Tax Shelter Assets	118	168
Dilution profit on XDC refinancing	- 3.368	-
Net profit from operations	17.301	18.901

NOTE 10 : HEADCOUNT

<i>(In Full Time Equivalent)</i>	EVS TV
Average 1H06	143
Average 1H07	171
Variation	+20%
As at June 30, 2007	178

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:

Average exchange rate over the first half 2006	1,2295
At 30 June 2006	1,2713
Average exchange rate over the first half 2007	1,3293
At 30 June 2007	1,3505

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 June 30, 2007, the group held 6,5 million dollars in forward exchange contracts earmarked to hedge 50% of the net future cash-flows in dollars with an average maturity date of January 29, 2008 and with an average exchange rate EUR/USD of 1,3096.

NOTE 13 : SUBSEQUENT EVENTS

There is no significant subsequent event.