



EVS REPORTS RECORD REVENUE AND PROFIT IN 2007, EXPECTS GROWTH IN 2008, MAINLY IN FIRST HALF

- Record 4Q07 revenue of EUR 27.2 million, +42.8% vs. 4Q06
- FY07 revenue of EUR 94.7 million, +14.5% vs 2006 at constant exchange rate
- Asia & Pacific up 36.4% over FY07, America's up 49.1%, offset Europe down 13.6%
- 4Q07 EBIT of EUR 18.4 million, +50.3% vs. 4Q06
- FY07 EBIT of EUR 61.9 million, or 65.4% of revenue
- FY07 EPS (basic) increase of 0.5% to EUR 2.91, or +11.0% excl. XDC
- Strong winter order book of EUR 36.4 million, +67.0%
- Studio represents 38% of that order book (with longer leadtime)
- 2008 guidance: growth compared to 2007, particularly in the first half
- Gross dividend of EUR 2.28 per share to be proposed at the General Meeting.

Liège (Belgium), February 21, 2008, 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, reports today its results for the fourth quarter 2007 ("4Q07") and the full year 2007 ended December 31, 2007 ("FY07").

Key Highlights

Pierre L'Hoest, CEO of EVS said: "As anticipated, the last quarter yields record sales of EUR 27.2 million, mainly thanks to stronger sales in Europe. While we expected it to be a transition year, 2007 turned out to be a growth year, with annual sales topping **EUR 94.7 million, which is +22.3% at constant exchange rates and excluding the big events rentals of 2006**. We have pursued the HDTV conversion of Outside Broadcast trucks all over the world and our teams have succeeded in implementing key near-live studio projects. This paves the way for 2008, which will be driven by the Football Euro 2008 and the Olympics. On the longer term, our customers are initiating or pursuing their tapeless transition and the shift towards HDTV production and transmission. EVS clearly benefits from the current HDTV start in Europe and its further penetration in the studio market."

Commenting on the results, Jacques Galloy, CFO said: "While expanding sales, we have strengthened the group by increasing our headcount by 18%, mainly in R&D and field operations, in the 11 countries where we are present. Operating expenses have grown by 26.9% without damaging the **operating margin, which has remained at 65%**, despite the weakness of the US dollar. We are creating new local partnerships or new offices to reinforce market presence. Product innovation and customer service remain our key drivers. We are pleased to reward our shareholders by proposing a **final gross dividend of EUR 2.28 next May**, including the gross interim dividend of EUR 0.80 paid out last November".

(unaudited)			IFRS - EUR millions, except earnings per share expressed in EUR	(audited)		
4Q07	4Q06	4Q07/4Q06		FY07	FY06	FY07/FY06
27.2	19.0	+42.8%	Revenue	94.7	85.2	+11.2%
18.4	12.2	+50.3%	Operating profit – EBIT	61.9	56.9	+8.8%
67.7%	64.3%	+3.4pp	Operating margin – EBIT %	65.4%	66.8%	-1.4pp
-1.3	-0.1	N/A	Contribution from 47% XDC affiliate	-3.0	-2.5	N/A
-	-	N/A	Exceptional XDC dilution profit ⁽¹⁾	-	3.4	N/A
11.5	8.4	+36.7%	Net profit – Group share	39.5	39.4	+0.2%
13.0	8.7	+50.3%	Net profit from operations, excl. XDC – Group share ⁽²⁾	43.6	39.4	+10.7%
0.85	0.62	+36.8%	Basic earnings per share	2.91	2.89	+0.5%
0.96	0.64	+50.4%	Basic earnings per share from operations, excl. XDC ⁽²⁾	3.21	2.89	+11.0%

(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, 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 noon-gaap financial measures.

Revenue

EVS Broadcast revenue reached **EUR 94.7 million** in 2007, an increase of 14.5% at constant exchange rates, but by 22.3% at constant exchange rate and excluding big events rentals of 2006. Although the group expected some decline in Outside Broadcast sales following a very strong sportive 2006, those sales grew by 5.7%. The group grew the studio sales by 25.7% to EUR 29.2 million, which represented 30.9% of group sales. This proves EVS' lower and lower dependence on large worldwide sporting events as well as the realization of new market opportunities.

4Q07	4Q06	% 4Q07 / 4Q06	Revenue – EUR millions ⁽¹⁾	FY07	FY06	% FY07 / FY06
27.2	19.0	+42.8%	Total reported	94.7	85.2	+11.2%
27.6	19.0	+45.3%	Total at constant exchange rate	97.5	85.2	+14.5%
27.6	17.8	+55.0%	Total at constant exchange rate excluding big events rentals	97.2	79.4	+22.3%

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

EVS Broadcast revenue grew by **36.4%** in Asia & Pacific (“**APAC**”) to EUR 22.4 million. APAC represents 24% of group revenue compared to 19% in 2006. In Japan for instance, EVS instant tapeless technology empowers a growing number of live and near-live shows in both studio and outside productions. Chinese sales represented 20% of APAC sales. HD systems have been sold to OB (Outside Broadcast) vans that shall first be used for Chinese sports coverage before being used during the Olympics.

America's revenue (“**NALA**”) increased by 49.1% (**+62.7% at constant exchange rate**), thanks not only to the replacement cycle of Outside Broadcast trucks migrating to HDTV, but also to major studio project wins with premium customers. America's sales represented 32% of group sales for FY07, compared to 24% in 2006. The seamless video and audio files transfer between EVS products and leading post-production applications improves its customers' efficiency, thus allowing more valuable time for the creative process. For instance, “TV Bandeirantes”, one of the largest television networks in Brazil, has added EVS 6-channel HD XT[2] servers and [IP] Directors to its studio for use on its weekday morning news broadcast, the “Datena Show”. EVS shall attend the famous broadcast tradeshow NAB next April in Las Vegas and will showcase new products in line with EVS “Speed to Air” strategy.

Europe, Middle-East and Africa (“**EMEA**”) revenue **decreased by 13.6%** in 2007, compared to a very strong 2006 when most main international sporting events were organized in Europe. The strong performance in 4Q07 partially offset the weaker performance of the first nine months. In 2007, besides strong business in the UK, it is important to note that Eastern Europe showed strong growth sustained by EVS innovative solutions which meet broadcasters' needs. EMEA is also confirming further advances into studio production infrastructure with major customer wins. For example, after the success of Roland Garros and the Tour de France, France Television has selected EVS technology for “France 2 Foot”, a new and unique TV show aired each Sunday. It presents results and summaries of the Ligue 1 and the Ligue 2 football matches played each weekend, as well as extracts and images of the matches of the on-going season, clips of which need to be “on-line” in a click of a mouse. HD flat screens sales to consumers are booming across Europe, with the homes penetration of HD Ready at up to 20% in some large countries. Many HDTV initiatives are being launched by various broadcasters, IPTV, cable, or satellite players across Europe, which means a real takeoff of HD in EMEA, for which the European Soccer Finals and Beijing 2008 shall be an attraction point.

Operating results

Consolidated gross margin was 86.5% for 4Q07 and 87.3% for FY07 (86.1% in FY06, when margins were lower due to the contribution of less profitable big event rental agreements). Despite much higher operating expenses (+26.9% in FY07), and despite the weak USD, the **operating margin only slightly decreased to 65.4%**, compared to 66.8% in FY06. This is the consequence of both operating leverage and growing software sales. As explained earlier, the group currently invests for future opportunities and strengthens its organization. The EBIT margin decreased by only 1.4 percentage point due to the weaker US dollar which had a EUR 1.7 million negative impact on the EBIT. This was partially offset by the group hedging policy. At the end of 2007, EVS employed 188 people (FTE). Throughout 2007, the average number of employees was 180, up 18% over 2006.

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 EUR -1.3 million at equity to EVS for 4Q07 and EUR -3.0 million for FY07. A significant one-time non cash provision has been booked in 4Q07 in order to translate future impacts of the 2007

deployment delays. In December 2007, XDC successfully raised an additional EUR 7.5 million from existing shareholders through a subordinated bond.

Net profit for FY07 amounted to EUR 39.5 million, while **net profit from operations, excluding XDC, was EUR 43.6 million**, or 10.7% higher than FY06. Basic net profit from operations per share, excluding XDC, amounted to EUR 3.21 in FY07, up 11.0% compared to EUR 2.89 for FY06. Net profit for 4Q07 amounted to EUR 11.5 million, while **net profit from operations, excluding XDC, was EUR 13.0 million**, or 50.3% higher than 4Q06. Basic net profit from operations per share, excluding XDC, amounted to EUR 0.96 in 4Q07, up 50.4% compared to EUR 0.64 for 4Q06.

Net Cash and Capital

The net cash-flow from operations amounted to EUR 43.2 million over FY07, +13.1% over FY06. On December 31, 2007, the group balance sheet shows EUR 35.5 million in cash and cash equivalents, and EUR 2.3 million in long-term financial debts. At the end of the year, there were 13,569,129 EVS outstanding shares, i.e. 13,875,000 subscribed shares out of which 305,871 were owned by the company. At the same date, 171.150 warrants were outstanding.

Outlook 2008

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 transition from Standard Definition to High Definition 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, and an increased focus of broadcasters / IPTV and advertisers on large popular sports 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.

The global **winter order book** reaches **EUR 36.4 million**, incl EUR 1.8 million for big event rentals, compared to EUR 21.8 million on the same date one year ago, or +67.0%. The winter order book is made of:

- the open order book as of January 1, 2008: EUR 18.0 million (vs. EUR 7.5 million as of January 1, 2007)
- Orders intake between January 1, 2008 and February 20, 2008: EUR 18.4 million (vs. EUR 14.3 million last year).
- Studio sales represents 38% of the order book with a longer leadtime.

Even if the visibility remains limited as usual and the weak dollar is not a favorable factor, based on current market conditions, the Board expects **2008 to be a growth year with a stronger first half** supported by big sport events. One should remind that some 2007 equipment sales, e.g. HD vans in China or Alfacam jumbo deal in October, were anticipating on some big events of 2008. The worldwide traction of Beijing Olympics, the launch of HDTV in Europe and the growing presence of EVS inside TV studios are the main growth drivers for 2008 and beyond.

Final Dividend

Given the good performance of 2007 and its desire to optimize the return of its shareholders through dividend distribution and/or treasury shares repurchase program, the Board of Directors will propose a **total gross dividend of EUR 2.28** per share (including the EUR 0.80 interim dividend) to the Ordinary General Meeting of Shareholders to be held next May 20, 2008, implying a final gross dividend of EUR 1.48 to be paid late May 2008 (coupon 6, ex-date May 27, pay date June 2).

EVS will hold today the following events:

- Press conference for journalists in Liège at 9:00 AM CET
- Financial analysts & investors meeting in French in Liège at 10:00 AM CET
- A conference call in English will be held at 3:30 PM CET (Please contact 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.

Statutory Auditors BDO ATRIO statement

The Statutory Auditor confirmed that his controls which are substantially finished did not reveal significant correction that should be brought to accounting information mentioned in the press release.

Corporate Calendar:

Thursday 15 May 2008: 1Q08 revenue & earnings
Tuesday 20 May 2008: Annual Ordinary and Extraordinary Shareholders Meeting
Tuesday 10 June 2008: Postponed Extraordinary Shareholders Meeting
Tuesday 27 May 2008: Final dividend 2007 - Coupon 6 – ex-date
Monday 2 June 2008: Final dividend 2007 - Coupon 6 – pay-date
Thursday 17 July 2008: trading update on 2Q08 revenue
Thursday 4 September 2008: 2Q08 revenue & earnings
Thursday 13 November 2008: 3Q08 revenue & earnings

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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 190 persons for broadcast equipment in 11 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

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, RTL, NHK, CANAL+, ABC, ESPN, TF1, CCTV, PBS, CBS, BBC, ZDF, TVE 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 280 digital screens throughout the world in China, Germany, Sweden, Brazil, the United States, France, Belgium, etc.

ANNEX 1: EVS GROUP – IFRS CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Annex	4Q07 Unaudited	4Q06 Unaudited	2007 Audited	2006 Audited
Revenue	2	27,172	19,022	94,696	85,150
Costs of sales		-3,676	-2,451	-12,041	-11,850
Gross Profit		23,496	16,572	82,655	73,300
Gross Margin %		86.5%	87.1%	87.3%	86.1%
Selling and administrative expenses		-3,108	-2,742	-13,024	-10,278
Research and development expenses		-2,216	-1,487	-6,996	-5,498
Other revenue		221	95	557	366
Other expenses		201	-28	-197	-207
Stock based compensation and ESOP plan		-125	-114	-747	-564
Depreciation on Tax Shelter rights assets		-83	-59	-335	-235
EBITDA		19,532	12,898	64,503	58,934
Operating Profit (EBIT)		18,386	12,237	61,913	56,884
Operating Margin (EBIT) %		67.7%	64.3%	65.4%	66.8%
Net interest		349	235	1,119	648
Other net financial income / (expenses)		-35	-280	-784	-612
Share in the result of the enterprises accounted for using the equity method	6.8	-1,368	-55	-2,916	-581
Profit before taxes (PBT)		17,332	12,137	59,332	56,339
Income taxes	6.7	-5,851	-3,737	-19,841	-18,485
Net profit from continuing operations		11,481	8,400	39,490	37,854
Net gain/(loss) associated with the discontinued operations : (1)					
XDC operations contribution to consolidated accounts	6.8	-	-	-	-2,976
Dilution profit on XDC refinancing	6.8	-	-	-	3,368
Net profit		11,481	8,400	39,490	38,246
Attributable to :					
Minority interests (XDC)	6.8	-	-	-	1,180
Equity holders of the parent company		11,481	8,400	39,490	39,426
Net profit from operations, excl. XDC – share of the group (2)	6.3	13,019	8,663	43,607	39,408
RESULT PER SHARE	6.6	4Q07 Unaudited	4Q06 Unaudited	2007 Audited	2006 Audited
<i>(in number of shares and in EUR)</i>					
Weighted average number of subscribed shares for the period less treasury shares		13,577,487	13,585,621	13,587,090	13,630,464
Weighted average number of fully diluted number of shares		13,748,637	13,775,380	13,758,092	13,801,018
Basic earnings – share of the group		0.85	0.62	2.91	2.89
Fully diluted earnings – share of the group		0.84	0.61	2.87	2.86
Basic net profit from operations, excl. XDC – share of the group		0.96	0.64	3.21	2.89

(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, 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 noon-gaap financial measures.

ANNEX 2: EVS GROUP – SEGMENT REPORTING

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

(EUR thousands)	APAC	EMEA	NALA	TOTAL FY07
Revenue FY07	22,373	41,558	30,764	94,696
Evolution versus 2006 - %	36.4%	-13.6%	49.1%	11.2%
Segment revenue at constant exchange rate	22,373	41,558	33,576	97,508
Evolution versus 2006 - % at constant exchange rate	36.4%	-13.6%	62.7%	14.5%
Evolution versus 2006 - % at constant exchange rate and excluding big events rentals	56.5%	-6.7%	61.1%	22.7%

(EUR thousands)	APAC	EMEA	NALA	TOTAL FY06
Revenue FY06	16,408	48,104	20,638	85,150

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

We should also note that the EVS Group has a centralized 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 Euro 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, this margin is quite similar over the 3 regions.

ANNEX 3: EVS GROUP – IFRS CONSOLIDATED BALANCE SHEET

ASSETS (EUR thousands)	Annex	31.12.07 Audited	31.12.06 Audited
Non-current assets :			
Intangible assets		830	715
Lands and buildings	6.2	7,493	5,429
Other tangible assets		2,118	1,099
Investment accounted for using equity method	6.8	4,815	6,174
Subordinated bond	6.8	2,850	-
Other financial assets		307	258
Deferred tax assets		94	160
Total non-current assets		18,507	13,835
Current assets :			
Inventories (1)		5,594	6,371
Trade receivables		14,354	11,601
Other amounts receivable, deferred charges and accrued income		1,006	2,149
Cash and cash equivalents	4	35,515	28,935
Total current assets		56,468	49,055
Total assets		74,976	62,890
EQUITY AND LIABILITIES (EUR thousands)			
Equity :			
Capital		8,342	8,342
Reserves		73,013	54,402
Interim dividend	6.4	-10,867	-6,519
Treasury shares		-8,090	-5,985
Total consolidated reserves		54,056	41,898
Translation differences		-257	-112
Equity attributable to equity holders of the parent company		62,141	50,128
Minority interests		5	4
Total equity	5	62,146	50,133
Long term provisions		761	361
Deferred taxes liabilities		975	266
Financial long term debts		1,989	2,323
Government recoverable loans		546	834
Non-current liabilities		4,271	3,784
Short term portion of long term financial debts		309	364
Trade payables		2,679	1,964
Amounts payable regarding remuneration and social security		3,268	2,765
Income tax payable		1,335	2,214
Other amounts payable, advances received, accrued charges and deferred income (1)		967	1,666
Current liabilities		8,558	8,974
Total equity and liabilities		74,976	62,890

(1) For comparison purposes, Work in progress at the end of 2006 and 2007, have been offset with advances received included in the current liabilities.

ANNEX 4: EVS GROUP – IFRS CONSOLIDATED CASH FLOW STATEMENT

(EUR thousands)	2007 Audited	2006 Audited	2006 (1) Proforma Unaudited
Cash flows from operating activities			
Operating profit (EBIT)	61,913	56,884	56,884
Adjustment for non cash items :			
- Depreciation on fixed assets	1,132	1,206	1,206
- Foreign exchange result	-746	-560	-560
- Stock based compensation and ESOP	472	290	290
- Provisions and deferred taxes increase/(decrease)	458	63	63
	63,229	57,883	57,883
Increase (+)/decrease (-)			
- Amounts receivable	-1,782	-128	251
- Accruals	-51	-2,776	-2,539
- Trade debts and prepayments	-864	2,227	1,578
- Taxes, remuneration and social security debts	-377	2,096	2,077
- Other amounts payable	-739	52	-275
- Inventories	2,362	-2,935	-3,120
Cash generated from operations	61,777	56,419	55,856
Interest received	1,312	845	845
Income taxes	-19,841	-18,491	-18,491
Net cash from operating activities	43,248	38,773	38,211
Cash flows from investing activities			
Purchase (-)/disposal (+) of intangible assets (including Tax Shelter investments)	-507	-441	-382
Purchase (-)/disposal (+) of property, plant and equipment	-1,715	-3,224	-862
Purchase (-)/disposal (+) of leasing equipment	-	-3,738	-
Purchase (-)/disposal (+) of other financial assets	-4,456	475	122
XDC dilution impact in investing activities	-	-7,665	-
Net cash used in investing activities	-6,678	-14,593	-1,122
Cash flows from financing activities			
Operations with treasury shares	-2,105	-1,798	-1,756
Other net equity variations	-45	-78	-147
Interest paid	-193	-197	-197
Proceeds from long-term borrowings	-676	2,971	-315
Interim dividend	-10,649	-5,908	-5,908
Dividend paid	-16,323	-16,462	-16,462
Net cash used in financing activities	-29,991	-21,473	-24,785
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	6,580	2,708	6,636
Cash and cash equivalents at beginning of period	28,935	26,227	22,299
Cash and cash equivalents at end of period	35,515	28,935	28,935

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

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

(EUR thousands)	Issued capital	Other 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		38,246			38,246		38,246
Operations with treasury shares		290	-1,765		-1,475		-1,475
Final dividend		-16,462			-16,462		-16,462
Interim dividend		-6,519			-6,519		-6,519
Currency translation differences				-76	-76		-76
Net profit of the year attributable to the minority interest		1,180			1,180		1,180
Other increase (decrease)		-36			-36		-36
Balance as per 31 December 2006	8,342	47,884	-5,985	-112	50,129	4	50,133

(EUR thousands)	Issued capital	Other 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		39,491			39,491		39,491
Operations with treasury shares		472	-2,105		-1,633		-1,633
Final dividend		-16,323			-16,323		-16,323
Interim dividend		-10,867			-10,867		-10,867
Currency translation differences				-145	-145		-145
Buildings revaluation surplus		1,391			1,391		1,391
Other increase (decrease)		97			97		97
Balance as per 31 December 2007	8,342	62,146	-8,090	-257	62,141	5	62,146

ANNEX 6: EVS GROUP – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2007

NOTE 1: BASIS OF PREPARATION

The consolidated financial statements of EVS group for the 12 months period ended 31 December 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, except that buildings are now accounted for based on the revaluation model (on the basis of a valuation carried on by an independent expert) that lead to increase equity as at 1 January 2007 by EUR 1.4 million and increase 2007 net result by EUR 0.1 million. The Company's IFRS accounting policies and methods are available in the annual report 2007 on 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)	2007	2006
Net profit for the year - IFRS	39,490	39,426
Allocation to Employees Profit Sharing Plan	569	476
Stock Option Plan	178	133
Depreciation on Tax Shelter rights assets	335	235
Contribution of XDC	3,035	2,507
Dilution profit on XDC refinancing	-	-3,368
Net profit from operations, excl. XDC	43,607	39,409

NOTE 4: PROPOSED DIVIDENDS

The Board of Directors of November 6, 2007 has decided to distribute a gross interim dividend of EUR 0.80 per share for the fiscal year 2007, for which the due date was November 21, 2007, and the payment date November 27, 2007.

(EUR thousands)	2007	2006
- Final dividend for 2005 (EUR 1.20 per share less treasury shares)	-	16,462
- Interim dividend for 2006 (EUR 0.48 per share less treasury shares)	-	6,519
- Final dividend for 2006 (EUR 1.20 per share less treasury shares)	16,323	-
- Interim dividend for 2007 (EUR 0.80 per share less treasury shares)	10,867	-
Total proposed dividends	27,190	22,981

The Board of Directors of February 14, 2007 has decided to propose a total gross dividend of EUR 2.24 per share to the May 20, 2008 Annual Shareholders Meeting.

NOTE 5: EQUITY SECURITIES

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

	2007	2006
Number of own shares at 1 January	272,209	356,655
Acquisition of own shares on the market	38,775	171,307
Sale of own shares on the market	-	-21,000
Allocation to Employees Profit Sharing Plan	-5,113	-7,253
Sales related to Employee Stock Option Plan (ESOP)	-	-27,500
Own shares cancellation	-	-200,000
Number of own shares at 31 December	305,871	272,209
Outstanding warrants at 31 December	171,150	170,900

Over 2007, the Board has decided to repurchase 38,775 own shares on the stock market for a global value of EUR 2.2 million, representing an average acquisition price of EUR 57.33 per share. The Ordinary General Meeting of Shareholders of May 15, 2007 has decided to allocate between 25 and 50 shares to any EVS employee under certain conditions, representing 5,113 shares.

As of December 31, 2007, 171,150 warrants are outstanding with an average strike price of EUR 20.94 and an average maturity of 1.4 year.

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 years 2006 and 2007 with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	2007	2006
Reconciliation between the effective tax rate and the theoretical tax rate		
Reported profit before taxes and share in the result of the enterp. accounted for using the equity method	62,247	56,920
Reported tax charge based on the effective tax rate	-19,841	-18,485
Effective tax rate	31.9%	32.5%
Reconciliation items for the theoretical tax charge		
Tax effect of Tax Shelter	-255	-255
Tax effect of deduction for notional interests	-287	-173
Tax effect of non deductible expenditures	192	168
Tax effect of overvaluations and undervaluations related to prior years	-	234
Other increase (decrease)	271	256
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-19,920	-18,256
Theoretical tax rate (relating to EVS operations, excl. XDC)	32.0%	32.1%

NOTE 8: DISCONTINUED OPERATIONS

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 EUR 12.5 million to which EVS contributed EUR 2 million. Based on the amended shareholders agreement, EVS lost its majority in the XDC Board of Directors and does not control XDC anymore as such. The share capital subscription has been fully paid. This led to a change in the way XDC is reported in EVS accounts since June 27, 2006. However, for comparison purposes, the 2006 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 EUR 3.4 million. On December 18, 2007, EVS subscribed to a subordinated bond issued by XDC that yields 5% interest maturing in December 2010 for a counter-value of EUR 2.9 million. As part of that subscription, EVS has received warrants in order to subscribe to 38% of new XDC shares within 3 years, what would dilute EVS interest in XDC down to 45%.

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

(EUR thousands)	2007	1 st half 2006	2 nd half 2006	2006 (1)
Revenue	2,488	907	1,416	-
EBITDA	-3,115	-1,681	-1,102	-
Net result for the period	-6,431	-2,976	-1,507	-
Part of XDC capital held	47.20%	60.17%	47.20%	-
Net result - share of EVS	-3,035	-1,796	-711	-2,507
Dilution profit on XDC refinancing	-	3,368	-	3,368
Total contribution	-3,035	1,572	-711	861

(1) 60.17% until June 27, 2006 and 47.20% thereafter.

The cumulated Tax Loss Carry Forward of XDC S.A. amounts to EUR 17.8 million on December 31, 2007. 20% of deferred tax assets relating to these losses has been recognized, increasing XDC net equity by EUR 0.7 million as of January 1, 2007 and reducing 2007 net loss by EUR 0.5 million.

NOTE 9: 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 centralization 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 organization and product design, the EBIT margin by geographical segment does not differ significantly from the consolidated group EBIT margin.

NOTE 10: HEADCOUNT

(in Full Time Equivalents)	EVS TV
Average 2006	152
Average 2007	180
Variation	+18%
As at December 31, 2007	188

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 2006	1.2557
At December 31, 2006	1.3170
Average exchange rate over 2007	1.3705
At December 31, 2007	1.4721

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 December 31, 2007, the group held USD 10.0 million in forward exchange contracts earmarked to hedge 50% of the net future cash-flows in dollars with an average maturity date of August 26, 2008 and with an average exchange rate EUR/USD of 1.4083.

NOTE 13: SUBSEQUENT EVENTS

There is no significant subsequent event.