

Revue Annuelle 2011

**Moving
forward
together**

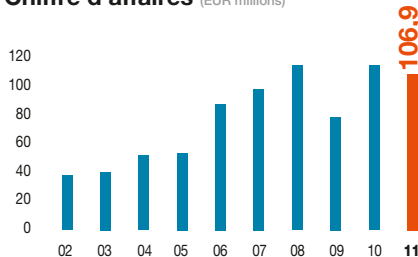


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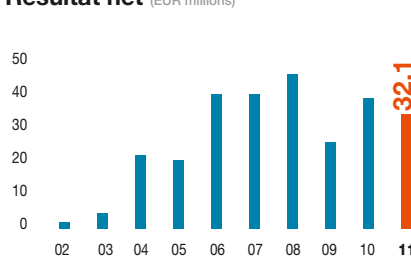
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Chiffres clés

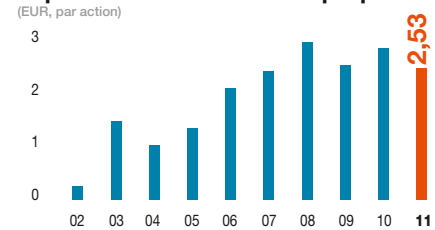
Chiffre d'affaires (EUR millions)



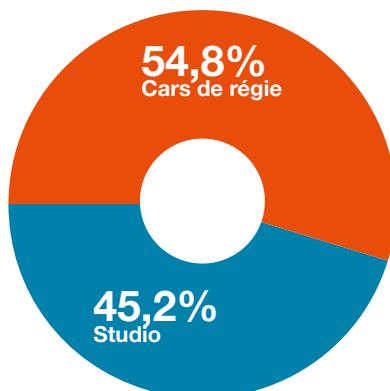
Résultat net (EUR millions)



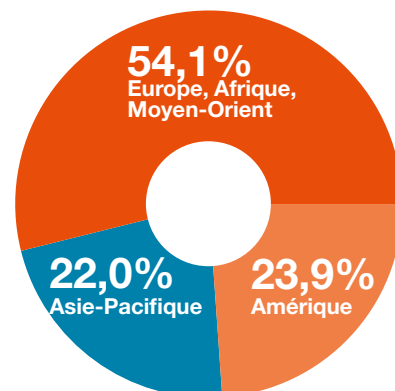
Dividende, remboursement de capital et rachat d'actions propres (EUR, par action)



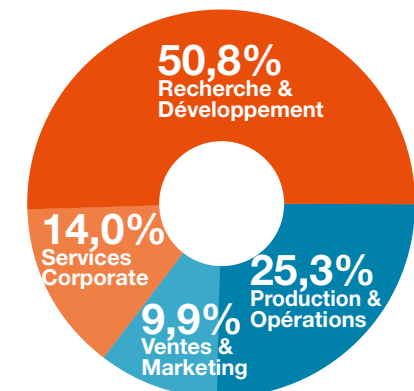
Répartition des ventes en 2011 (Production en studio et dans les cars de régie) (%)



Répartition des ventes en 2011 (Zones géographiques) (%)



Répartition du personnel par département (Au 31 décembre)



Plus de détails sur nos chiffres en page 16 ou sur le site www.evs-global.com

Notre profil

EVS est le **leader des systèmes numériques vidéo** de production mobile en direct. Ses produits sont des enregistreurs puissants combinés à des applicatifs très réactifs comme les ralentis devenus un standard mondial. S'appuyant sur son expérience dans les **cars de régie**, EVS investit depuis quelques années le segment des **studios de télévision**.

Notre mission

EVS propose des équipements et des systèmes vidéo évolutifs qui garantissent des résultats de grande qualité aux professionnels de la vidéo en fournissant des solutions modulaires et ouvertes, efficaces et fiables. Si EVS n'existait pas, les professionnels de la vidéo seraient en manque d'outils pour transmettre l'émotion aux téléspectateurs.

Les avantages offerts aux professionnels de la vidéo sont les suivants: l'expertise, des technologies puissantes, l'innovation, la vision à long terme et l'anticipation, la flexibilité et la fiabilité.

Nos valeurs



Innovation



Engagement



Gagner ensemble



Proximité client



Fiabilité



Convivialité

Moving forward together

par

Pierre Rion, Président du Conseil d'Administration
Michel Counson, CTO & Administrateur délégué

Cette année 2011 aura été marquée par l'incertitude macro-économique et les troubles sur les marchés financiers. En dépit de cette situation, EVS a réalisé une nouvelle belle performance et l'absence de grands événements sportifs n'a pas empêché notre entreprise de franchir à nouveau le cap des EUR 100 millions de ventes en 2011



Les ventes en 2011 ont diminué de 3,8% et sont passées à EUR 106,9 millions mais, sur une base comparable (en excluant les locations liées aux événements sportifs et à taux de change constant), le chiffre d'affaires a progressé de 6,3%, notamment grâce à un second semestre plus fort et un segment « cars de régie » qui a repris vigueur. L'engagement d'un grand nombre de nouveaux collaborateurs a résulté dans une réduction sensible de la marge d'exploitation en 2011 (41,3% de ventes). EVS comptait 415 collaborateurs (équivalents temps plein) en cette fin 2011 dont près d'un quart, dans nos 20 bureaux étrangers.

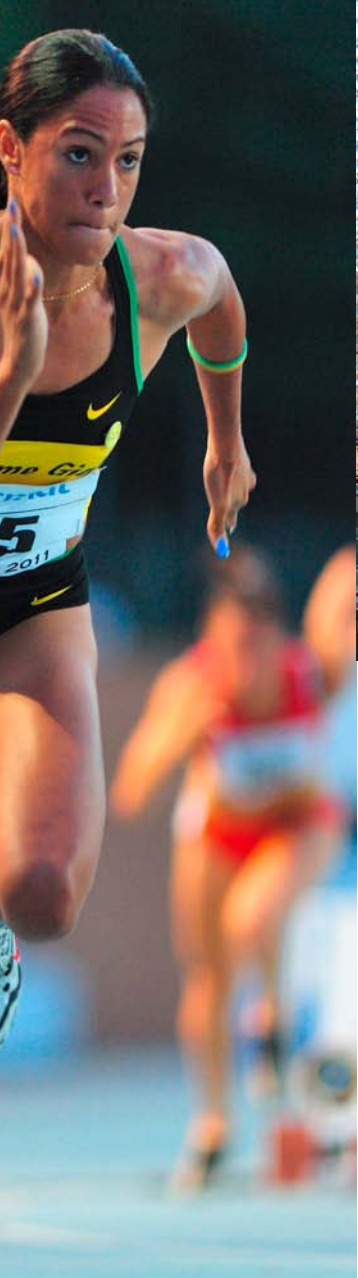
EVS consacre historiquement une partie significative de son cash flow généré par ses activités pour rémunérer ses actionnaires par l'octroi d'un dividende important. Cette année encore, le Conseil d'Administration proposera à l'Assemblée Générale Ordinaire de distribuer un dividende brut total de EUR 2,36 par action (y compris le dividende intérimaire de EUR 1,16 distribué en décembre 2011). Il représente un ratio de distribution (« pay out ») de 100%. Cette décision tient compte de l'excellente

solidité financière de la société et de notre confiance dans ses perspectives futures, mais également de l'investissement important qui sera consenti les deux prochaines années pour la construction d'un nouveau siège d'exploitation regroupant toutes les activités basées à Liège. Les nombreux engagements effectués par EVS ces dernières années pour renforcer son développement ont rendu les locaux désormais trop exigus. Le nouveau bâtiment, situé à quelques centaines de mètres du siège actuel, sera à même d'accueillir plus confortablement nos collaborateurs.

En 2011, XDC, dont EVS détient 41,3%, a pleinement profité de la vague de numérisation des écrans de cinéma en Europe. En février 2011, XDC a cédé à Barco sa branche d'activité CineStore pour se concentrer sur son activité de services spécialisés à haute valeur ajoutée : intégration, déploiement et financement d'équipements, logiciels spécifiques et réseau NOC (Network Operating Center). Le Groupe XDC est aujourd'hui le leader



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dans son marché en Europe, avec plus de 5.000 écrans installés.

EVS a doublé ses effectifs en l'espace de 4 ans. Notre société a changé et nous nous sommes lancés dans un processus visant à faire évoluer nos structures vers une organisation plus adaptée à notre taille et à nos besoins d'aujourd'hui. Pierre L'Hoest, cofondateur d'EVS et CEO, a préféré quitter la société en septembre 2011, cédant sa place à un Comité Exécutif. Le Conseil d'Administration tient à le remercier pour tout ce qu'il a apporté à EVS tout au long de ces années. Son départ a accéléré la mise en place d'une nouvelle structure de management et la recherche d'un nouveau CEO progresse bien.

2012, c'est évidemment l'année du championnat d'Europe de football en Pologne/ Ukraine, mais surtout celle des JO de Londres. Comme à chaque fois, nos équipes répondront « présentes » à tous les défis qui se présenteront à elles. Elles seront donc sur le pont pour délivrer ce qui a été promis en temps et heure.

A côté de ces événements, notre développement dans les studios de télévision requiert une attention de premier ordre. Ce pôle d'activité a en effet rejoint en importance l'activité initiale d'EVS.

C'est donc sereins que nous entamons cette année. Nous sommes fiers de la qualité des équipes d'EVS dans le monde entier, et de leur engagement. La confiance toujours grandissante de nos clients et les excellentes relations que nous entretenons avec nos fournisseurs ou actionnaires sont des valeurs sûres pour notre entreprise.

C'est grâce à tous que nous pourrons continuer à faire grandir EVS.

Soyez-en remerciés !

Nos moteurs de croissance

- Transition vers des solutions informatiques de production intégrée sans cassette.
- Diversification des modes de diffusion des contenus vidéo, y compris les nouveaux médias.
- Migrations technologiques, comme la haute-définition ou la 3D.
- Popularité croissante du sport télévisé.
- Développement de nouvelles solutions pour augmenter l'efficacité des productions en studio.

Notre stratégie

- Consolidation de notre position de leader dans le marché de niche des cars de régie.
- Accélération de notre diversification dans le marché des studios, véritable relais de croissance, en développant de nouvelles solutions à valeur ajoutée.
- Développement d'un pôle de services pour les grands événements sportifs et les nouvelles demandes des clients.
- Développement de solutions uniques : infrastructure (articulée autour de la plateforme XT3), applications (LSM et IPDirector comme applications de référence) et service (de la consultation à la formation et au support).
- Forte culture d'entreprise favorisant l'innovation technologique.



Notre année 2011

01/2011 - États-Unis

EVS reçoit un Emmy Award de la National Academy of Television Arts & Sciences pour ses systèmes Super Motion en haute-définition, permettant l'enregistrement et les ralentis instantanés pour les productions sportives et en studio.



4/2011 - Produits

Lors de la foire du NAB en avril, EVS lance le serveur de production XT3, la troisième génération de sa plateforme hardware principale. Les améliorations incluent un nombre plus important de canaux flexibles (huit), plus de capacité et une bande passante plus grande. Il constitue la nouvelle plateforme pour les développements futurs qui devraient arriver en 2012 et 2013. EVS lance aussi Xedio Flash (une solution intégrée qui offre tous les éléments nécessaires à la création des actualités), ENGSOFT (pour l'import direct de fichiers de caméras de journalistes vers Avid), IPEdit.3 (la première solution de montage en 3D en direct) et XFly (plateforme de stockage portable NAS).

4/2011 - Finlande

MTV3, la chaîne de télévision commerciale finlandaise, a choisi les solutions intégrées d'EVS, dont un réseau de serveurs de production XT2+ et XS, et des outils avancés de gestion de contenu, pour la mise en place d'une infrastructure centrale d'enregistrement et de production.



4/2011 - Philippines

ABS-CBN, la première chaîne de télévision commerciale d'Asie, et la plus appréciée aux Philippines, a étendu ses capacités de production, avec l'addition de 17 systèmes Insio pour contrôler un nombre croissant de serveurs EVS, en ce compris 14 nouveaux serveurs XT2+ SD et HD.

05/2011 - Inde

Times of India étend la production télévisée de l'Indian Premier League (cricket), des caméras au web, avec des technologies EVS.

06/2011 - Mexique

De manière à être plus proche de ses clients d'Amérique du sud, EVS ouvre un nouveau bureau commercial et de support à Mexico City.



07/2011 - Royaume-Uni

BBC choisit les solutions intégrées d'EVS pour son nouveau système de production de sport (installé dans ses nouveaux bâtiments MediaCityUK à Salford Quays près de Manchester), conçu pour produire très rapidement du contenu, des résumés et des montages simples.

8/2011 - Brésil

Au cours du salon Broadcast & Cable Show 2011, à São Paulo, EVS reçoit le prix «Innovation for News» pour sa solution Xedio Flash.

08/2011 - Belgique

RTL, la première chaîne de télévision en communauté française de Belgique, a renouvelé son engagement envers EVS avec l'implémentation d'une infrastructure complète HD pour ses activités liées aux actualités et au divertissement.



09/2011 - Produits

A la foire de l'IBC (Amsterdam), EVS lance C-Cast, une nouvelle solution destinée à distribuer instantanément et en direct du contenu additionnel sur des nouveaux médias. Cela permet aux chaînes de télévision de cibler une audience multitâche avec de nouvelles options. EVS a également lancé Epsio Air, solution permettant l'insertion de publicités virtuelles (sous la forme d'incrustations) dans des programmes sportifs en direct ou en différé. EVS a également introduit la première solution de « super » ralentis, combinant son système LSM XT3 avec la nouvelle caméra ultra motion X10 de I-Movix.

09/2011 - Émirats Arabes Unis

Sky News Arabia, une joint-venture entre British Sky Broadcasting (BSkyB) et Abu Dhabi Media Investment Corporation (ADMIC), annonce un contrat avec EVS pour une solution complète de production d'informations, pour le lancement d'un canal d'infos 24/7 arabe.



09/2011 - Espagne

ANTENA 3, un groupe de médias important en Espagne, présent dans le cinéma, la radio, internet et la télévision terrestre digitale, a opté pour les serveurs d'enregistrement OpenCube HD/SD d'EVS afin de digitaliser ses archives et de rationaliser les opérations d'échange de médias.

09/2011 - Corporate

Pierre L'Hoest, co-fondateur et Administrateur délégué d'EVS Broadcast Equipment, quitte la société.



10/2011 - Russie

EVS signe un contrat de plusieurs millions avec la société russe de cars de régie Panorama afin de fournir des serveurs de production HD et les solutions de gestion de contenu associé. Il s'agit d'un contrat record dans l'histoire d'EVS.

11/2011 - Corée

La chaîne publique KBS confirme son engagement envers EVS. KBS a utilisé des équipements EVS dans son nouveau car de production mobile HD lors de la production des Championnats du Monde IAAF à Daegu.

02/2012 - Monaco

Les archives audiovisuelles de la Principauté de Monaco ont sélectionné MediArchive Director, la solution de gestion de contenu d'EVS pour les archives, pour la digitalisation et l'exploitation de 8.000 heures d'archives.



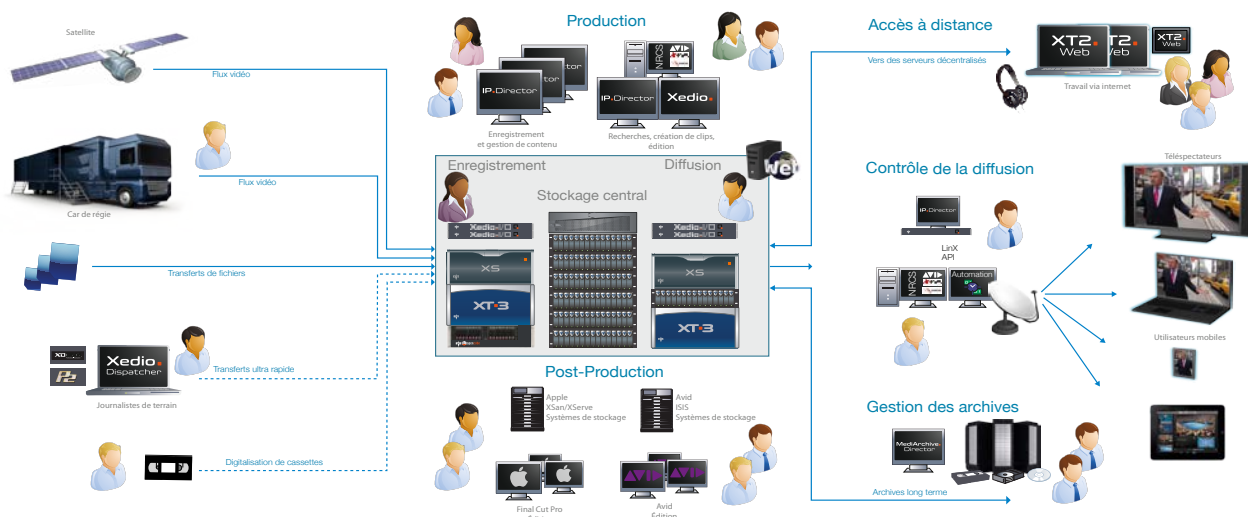
Nos solutions

Une forte intégration entre ses plateformes technologiques performantes et fiables, une large gamme d'applications et un niveau de service supérieur, sont les fondamentaux d'EVS

L'infrastructure, en particulier la plateforme XT3, constitue historiquement le cœur des dispositifs EVS. Cette plateforme s'est imposée comme l'outil le plus rapide, le plus réactif, le plus fiable et le plus utilisé sur le marché de la production en direct. Les relations de confiance bâties entre les équipes d'EVS autour du globe d'une part, et de grands professionnels de la télévision d'autre part, ont stimulé les développements de la gamme de solutions d'EVS. Tous les applicatifs conçus sur les plateformes hardware permettent aux producteurs TV de gérer, contrôler, monter (non linéairement bien sûr) et enregistrer le contenu numérisé au sein d'un réseau de serveurs interconnectés.



Solutions EVS : de la caméra à l'écran





Des approches ciblées pour des marchés différents

Le sport, c'est là qu'EVS est né. Et le sport, c'est aussi là que les nouvelles technologies sont d'abord implémentées. C'est pour cela que les moteurs de croissance à long terme qui ont soutenu le développement d'EVS sur les dix dernières années soutiennent également sa diversification en dehors des productions sportives en direct. Avec sa stratégie EVS Sports360°, EVS veut que ses clients restent toujours à l'avant-garde dans un environnement en évolution rapide: le partitionnement des droits, la fusion entre l'informatique et les technologies traditionnelles de diffusion, la profusion des plateformes de médias numériques. EVS Sports360° aide le marché à relever ces défis, réunissant les contrôleurs de production en direct les plus fiables de l'industrie, des suites innovantes permettant la création de résumés et la gestion de

contenu, d'ingénieux outils de monétisation d'archives, et des plateformes de livraison instantanée multimédia.

Aujourd'hui, les principales chaînes de télévision cherchent à améliorer l'efficacité de leurs processus afin qu'ils puissent rassembler, préparer et diffuser des **actualités** très rapidement. EVS fournit des solutions complètes de production d'informations garantissant rapidité et gains de productivité avec le plus haut niveau de stabilité et d'intégration avec des systèmes tiers, tels que les caméras ENG, les solutions d'édition, les archives et les systèmes de contrôle des salles de presse (NRCS).

De l'enregistrement au montage: les solutions proposées par EVS sont particulièrement adaptées pour les studios de télévision qui cherchent à accroître l'efficacité et la rapidité de leur processus de production. Les serveurs de production des familles XT et XS accélèrent et optimisent les opérations, de l'enregistrement jusqu'au montage, en proposant des solutions d'enregistrement fiables, un accès instantané à tous les médias enregistrés, l'échange de médias ou encore le montage hyper rapide de contenu vidéo. Ces solutions réduisent le temps entre l'enregistrement et le montage. Elles sont idéales pour la production de jeux/quizzes, séries télévisées, shows, etc.

EVS fournit des solutions complètes garantissant rapidité, productivité, haut niveau de stabilité et d'intégration avec des systèmes tiers



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Nos produits clés

■ Infrastructure ■ Applications ■ Services

Serveurs vidéo

XT3

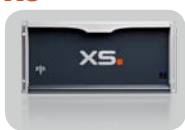


Serveur de production et de diffusion

Le XT3 est un serveur de production qui permet d'enregistrer, de contrôler et de diffuser des médias en temps réel en SD, HD et 3D. Il est le successeur, plus puissant, des serveurs XT2 et XT2+. Associé au Multicam LSM, il est la solution idéale pour les productions sportives en direct. Capable d'enregistrer plusieurs caméras de façon synchronisée, le XT3 constitue également un atout pour de nombreuses productions multicaméras en studio, en direct ou quasi-direct. Configurable jusqu'à 8 canaux (par exemple enregistrement et lecture de 4 caméras), le XT3 a une capacité interne de 3,6 TB correspondant à un stockage d'environ 300 heures de télévision, à un débit binaire pouvant atteindre 200 Mb/s, et une capacité externe supplémentaire de 20 TB. Ses autres atouts sont :

- Enregistrement continu en boucle (même pendant les ralentis).
- Fiabilité du serveur.
- Réaction instantanée (encodage et décodage en temps réel).
- Architecture ouverte pour une interopérabilité maximum avec les systèmes tiers et de nombreux codecs existants.
- Mise en réseau puissante avec partage immédiat du contenu (XNet2).
- Jusqu'à 96 canaux audio supportés par le serveur.
- Bande passante très élevée.
- Version plus compacte (4 RU) disponible en 7 canaux.

XS



Serveur d'acquisition et de diffusion

Le XS est un serveur 6 canaux destiné à la production multicaméras en studio en SD ou HD. Ce serveur, contrôlé avec l'Inσιο ou l'IPDirector (ou par des outils tiers accessibles via des protocoles de contrôle standard), offre aux réalisateurs une alternative performante à la production avec cassette. Il permet de réduire le temps de production, et surtout de postproduction, de gagner en efficacité, tout en maîtrisant les coûts. Ses autres atouts importants sont la prise en charge intégrée de nombreux formats et codecs, l'interopérabilité et le contrôle maximum avec les systèmes tiers, la mise en réseau puissante avec partage immédiat du contenu (XNet2) et le travail simultané entre la production, la postproduction, le stockage et l'archivage.

XTnano



Serveur de production et de diffusion

XTnano est un serveur de ralenti 4 ou 6 canaux HD/SD d'entrée de gamme. Conçu pour les productions sportives en direct nécessitant des flux de production simplifiés, le XTnano constitue l'outil idéal pour des opérations rapides avec un maximum de fiabilité. Le XTnano offre une variété de configurations possibles. Ce serveur assure la prise en charge native des codecs DVCPRO HD et DVCPRO 50 et, grâce à ses fonctionnalités réseau Ethernet gigabit, il permet de lire et simultanément transférer les fichiers audio/vidéo vers d'autres serveurs EVS ainsi que vers tout système tiers de montage virtuel ou d'archivage standard.

XSnano



Serveur de production et de diffusion

XSnano est un serveur 4 canaux d'entrée de gamme pour les productions en studio. Il est particulièrement adapté pour des productions simples (enregistrement et lecture) dans des environnements studio contrôlés par des systèmes de contrôle tiers.

OpenCube HD/SD



Plateforme d'enregistrement basée sur le standard MXF

OpenCube HD/SD est un serveur d'enregistrement MXF (qui supporte nativement de nombreux formats dont XDCamHD, Jpeg2K, DNxHD®) et qui génère des fichiers MXF pour un maximum d'interopérabilité dans tous les environnements de production et postproduction.

GX Server



Serveur d'habillage graphique

Le serveur GX est un nouveau serveur complémentaire de petite taille dédié à l'habillage et aux effets graphiques qui offre des fonctions de relecture graphique HD instantanées et des capacités de contrôle intégral au départ de tous les commutateurs et contrôleurs standard.

Stockage

XStoreSE



Serveur central de stockage

Le XStoreSE est une solution de stockage central à haute capacité idéale pour la sauvegarde, l'échange et le montage de contenu audio et vidéo en SD et en HD. Il complète idéalement les serveurs XT3, XTnano, et XS pour la conservation à long terme, en toute sécurité. Avec ses codeurs/décodeurs externes, il peut stocker quelque 30 TB pour une chaîne de télévision de taille moyenne. Il est principalement utilisé dans les studios et peut héberger d'autres logiciels EVS.

XF2



Serveur amovible de stockage

Le XF2 est une solution de stockage amovible et sécurisée, basée sur des disques durs, et sert de sauvegarde complémentaire aux serveurs XT3, XTnano et XS. Avec un stockage de médias allant jusqu'à 4 TB, sous forme de 2 lecteurs de disques amovibles de 2 TB, le XF2 est la solution idéale pour transférer du contenu entre la production en direct dans les cars de régie et celles en studio en quasi-direct qui y sont associées. Une analyse sportive d'après match est un exemple typique.

XFly



Plateforme de stockage portable

XFly est une plateforme de stockage compacte et portable. La plateforme contient 8 disques durs, offrant 8TB de capacité (jusqu'à 140 heures en HD à 100Mbps). Cette solution offre aux opérateurs des serveurs XT/XS une manière facile de transporter des productions complètes ou des clips. XFly est facilement connecté aux solutions de montage d'Avid ou Apple pour la postproduction.



XStoreSan

Solutions de stockage

Les solutions de stockage San sont dessinées pour fournir aux clients un bon équilibre de leurs capacités de stockage, que ce soit du stockage en ligne ou de l'archivage. Sur base de cette architecture San, les solutions de stockage d'EVS sont optimisées pour offrir le niveau le plus élevé de flexibilité, tout en garantissant une sécurité maximale pour les médias enregistrés.

Transfert et Échange de médias

XTAccess



Logiciel de transfert et de transcodage

XTAccess est une application visant à faciliter les échanges de médias entre les serveurs de production d'EVS et les outils de tiers, avec un niveau supérieur de sécurité et d'efficacité. XTAccess gère une série d'opérations automatiques telles que le transcodage en temps réel, l'encapsulation de contenu et le rendu de listes de diffusion, offrant ainsi un échange plus souple avec les médias qui ne sont pas supportés de façon native.

Xedio Dispatcher



Logiciel de transfert et de prévisualisation

Xedio Dispatcher détecte automatiquement les médias connectés (tels que les caméras et lecteurs P2 ou XDCAM), et affiche instantanément leur contenu, permettant ainsi un balayage immédiat du contenu pour la création de clips ou pour les opérations de montage. Une fois sélectionnés ou créés, les clips peuvent être facilement transférés du support du journaliste vers le serveur EVS pour les étapes suivantes de production et montage. Des transferts simultanés vers des destinations multiples et dans des formats multiples peuvent être réalisés grâce aux capacités de transcodage et d'encapsulation en SD et HD de Xedio Dispatcher.

XFile



Logiciel de transfert, d'archivage et de prévisualisation

XFile automatise le processus d'archivage des clips, à la fois pour les médias SD et HD, en conjonction avec des métadonnées associées, et ce en MXF (format standard dans le secteur). Il constitue en outre un outil de prévisualisation et de contrôle de la qualité des clips. XFile sert de passerelle d'entrée et de sortie pour les systèmes de montage non linéaire d'EVS ou de tiers.

Contrôle

Multicam LSM



Contrôle des ralentis et production de listes de diffusion en direct

L'application Multicam LSM («Live Slow Motion») offre des solutions de contrôle de ralentis et de création de listes de diffusion en direct extrêmement performantes. L'enregistrement en boucle et l'accès au train d'enregistrement empêchent la perte du moindre plan. Destinée aux retransmissions sportives et autres événements en direct, le Multicam LSM associé au serveur de production XT3 ou XTnano garantit un niveau unique de fiabilité et de fonctionnalité; il gère tous types de ralentis (de -400% à +400%), y compris le Super Motion (accélération de 2 à 3 fois) ou l'Hyper Motion (p.ex. 200 images/seconde); enfin, il permet toute une série d'opérations de montage à la volée.

IPDirector



Gestion de production et de contenu

IPDirector est une suite intégrée d'applications de gestion de production vidéo qui assure un contrôle parfait du matériel audio et vidéo par le biais d'un serveur vidéo XT3, XTnano ou XS. IPDirector permet, de manière plus rapide, l'acquisition, l'archivage, la gestion, la recherche, le suivi, le montage (via IPEdit), la création de clips et de résumés, le balayage, et la lecture instantanée d'un quelconque contenu audio ou vidéo. L'interface graphique fondée sur Windows assure un apprentissage et une utilisation aisés. IPDirector offre une maîtrise complète d'un réseau complexe de plusieurs serveurs XT3, XTnano ou XS.

Insio



Gestion des enregistrements multi-caméras en studio

Insio offre aux réalisateurs TV une interface de contrôle des enregistrements permettant d'accélérer chaque étape de la production d'un programme TV. Outre le suivi et le contrôle des acquisitions (multi-caméras/multi-flux), Insio facilite la sélection des meilleures séquences, la gestion des métadonnées, le transfert de clips et la transmission de contenu vers le montage, le tout au moyen d'une interface à écran tactile. Insio est le complément parfait du serveur XS.

Graphisme

Epsio Live et Epsio Air



Outils d'analyse graphique pour productions sportives en direct

La gamme Epsio inclut une série d'outils d'analyse graphique pour des productions sportives en direct (dont la possibilité de dessiner instantanément des lignes de hors-jeu virtuelles). Epsio est directement intégré à l'XT3, contrôlé par le Multicam LSM, et il permet aux réalisateurs d'optimiser leurs processus de productions en direct sans ressources additionnelles. Epsio est basé sur des algorithmes brevetés pour le dessin en temps réel des contours du terrain.

Édition

Xedio



Système de montage d'actualités et de résumés

Xedio est une solution destinée à la production d'actualités et de résumés. Elle est articulée autour de l'application de montage non linéaire CleanEdit, qui permet le montage de fichiers numériques fort comprimés, à faible bande passante. Elle n'altère pas le fichier d'origine qui est souvent stocké sur un XStore, XT3 ou XS. Les sujets montés en SD et HD peuvent ainsi être diffusés très rapidement à l'antenne (pas de rendu nécessaire). Xedio est complètement intégré avec Sony XDCAM™ et Panasonic P2™ (les caméras portatives avec enregistreurs intégrés les plus utilisées par les journalistes), et prend aussi en charge de nombreux formats de fichiers.

Nouveaux médias

C-Cast



Diffusion de contenu en direct sur un second écran

C-Cast est un outil qui délivre instantanément aux téléspectateurs du contenu additionnel sur des plateformes média alternatives. Via cette solution, tous les clips ou résumés créés durant la production en direct peuvent être rendus instantanément disponibles sur des outils connectés tels que les ordinateurs portables ou les tablettes. Cela permet entre autres d'offrir des angles de vue inédits.

Archives

MediArchive Director



Solutions de digitalisation et d'exploitation d'archives

MediArchive Director contient une série d'applications pour gérer de manière centralisée l'ensemble d'un processus d'archivage et permet des recherches efficaces du matériel, sur base d'une indexation. Une diffusion rapide et simple est prise en charge automatiquement par l'outil central, qui gère la digitalisation automatisée des médias, le reformatage, et qui contrôle tous les éléments du processus. Cette solution permet une maîtrise des coûts tout en optimisant la gestion des archives.

Service



De la consultation à la maintenance

En complément de ses produits et logiciels performants, EVS s'engage à offrir un niveau maximal de service. L'offre comprend la consultation sur les flux d'opérations et les processus de production, l'installation et la maintenance, les mises à jour ainsi que la formation des utilisateurs. EVS offre aussi, pour certains événements, un service de location de ses serveurs et applications, afin de subvenir aux besoins ponctuels liés à ces événements. La base de ce service de grande qualité est l'équipe d'EVS, disponible et réactive, en interaction constante avec la base de clients et d'utilisateurs.

Notre responsabilité sociale

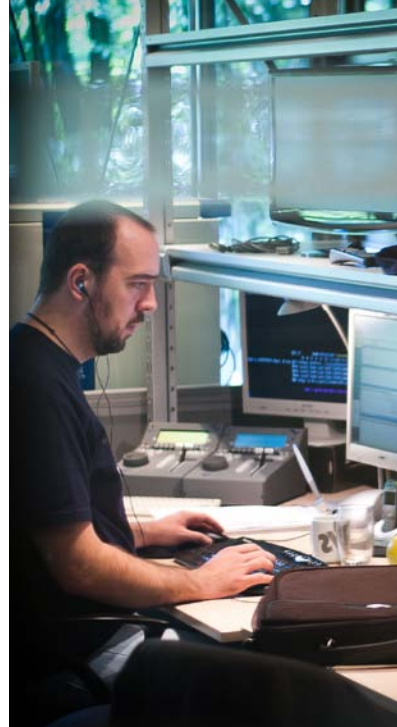
Il y a mille manières pour une société d'illustrer ses valeurs, et de démontrer son engagement envers l'environnement, ses employés ou la communauté dans laquelle elle évolue. Cet engagement à long terme caractérise la culture et les valeurs d'EVS depuis sa création

L'environnement

Dès sa création en 1994, EVS est soucieuse de son impact sur l'environnement. Au fur et à mesure des années, des politiques claires ont été mises en place afin de respecter cet engagement. L'intégration harmonieuse des bâtiments de la société dans l'environnement boisé du Parc Scientifique du Sart-Tilman, avec des toits recouverts de mousses végétales, le recours fréquent aux méthodes d'économie d'énergie, comme le « free cooling » pour refroidir les endroits sujets à de grandes variations de température en sont des exemples, tout comme l'éclairage peu consommateur d'énergie, les panneaux solaires pour la production d'eau chaude ou encore le recyclage de l'eau de pluie.

Par la nature de ses activités, EVS joue un rôle indirect dans la réduction de l'empreinte écologique des productions audiovisuelles. Les solutions proposées par EVS sont en effet basées sur des serveurs informatiques et des disques durs, réutilisables par définition. Au contraire, les lecteurs de cassettes utilisés abondamment dans les productions télévisuelles nécessitent l'achat récurrent de consommables, difficilement recyclables et peu respectueux de l'environnement.

EVS propose également des solutions de production et de consultation de contenu vidéo à distance, ce qui permet à de nombreux opérateurs de réduire considérablement leurs déplacements. Par exemple lors de grands événements sportifs planétaires, les outils de production télévisuelle d'EVS favorisent le partage des images entre le lieu de l'événement et la chaîne de télévision, ce qui réduit fortement les déplacements en avion d'un grand nombre de personnes.



Les employés

Ils sont le principal moteur d'EVS. Ce sont eux qui développent les solutions, les proposent aux clients dans le monde entier, les installent, et en assurent le suivi et la maintenance.

La direction de la société favorise un environnement de travail basé sur l'épanouissement et le respect de chacun, ce qui se décline entre autres par :

- un lieu de travail attractif (bâtiments vitrés et lumineux dans un environnement boisé, restaurant d'entreprise favorisant la cordialité, etc.);
- l'accueil des nouveaux engagés, l'écoute attentive des uns et des autres, des programmes de formation internes;
- de nombreuses activités organisées par ou pour les employés visant à renforcer l'esprit de groupe tels que des « incentives » par département ou différents événements d'entreprises dont certains incluent également les conjoints et enfants; ou encore l'incitation à la pratique du sport à proximité;
- une rémunération globale compétitive et en relation avec les compétences et l'expérience de chacun, accompagnée de programmes d'intéressement aux performances de la société.

Cette politique porte ses fruits et renforce le sentiment d'appartenance, puisque le taux de rotation est particulièrement faible malgré l'âge moyen peu élevé des employés de la société (37 ans).



Les bâtiments d'EVS ont été conçus pour assurer une très bonne intégration dans l'environnement

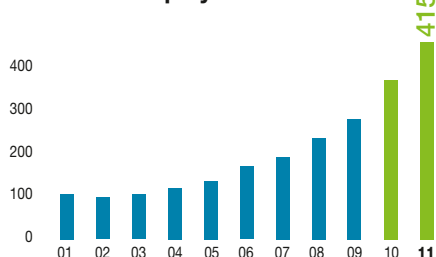
La communauté

EVS a un ancrage régional fort et participe au développement des communautés dans lesquelles ses bureaux sont implantés. Elle construit des partenariats avec des fournisseurs locaux, soutient activement des projets culturels et sociaux, et encourage ses collaborateurs à faire de même dans leur environnement au travers d'actions ciblées de sponsoring.

Par ailleurs, dans la foulée des Jeux Olympiques de 2012, EVS laissera gratuitement une partie de son matériel technologique de pointe à disposition des Jeux Paralympiques auxquels plus de 4.200 athlètes à capacité réduite participeront, en provenance de plus de 160 pays.



Nombre d'employés



25 nationalités

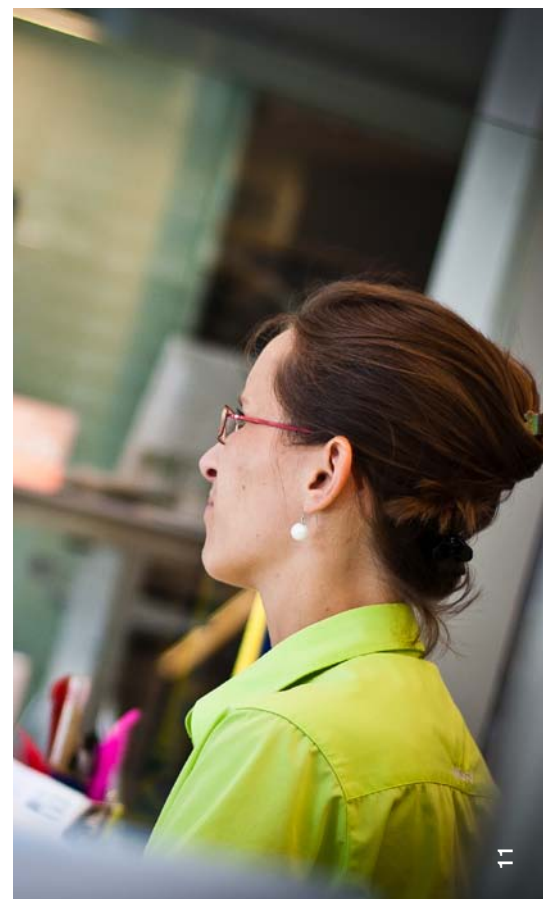
se côtoient chez EVS

+ de 60 projets

à finalité sportive ou sociale ont été soutenus par les employés d'EVS en 2011



Plus d'infos sur
www.evs-global.com



XDC Solutions pour le cinéma numérique

Créée en 2004, XDC est détenue à 41,3% par EVS (30,2% en dilué). XDC fournit différents services dans le domaine du cinéma numérique en Europe.

■ **services de déploiement et de financement d'installations de cinéma numérique pour les exploitants de salles.**

Cette activité est principalement basée sur le modèle VPF ("Virtual Print Fee"), par lequel les studios américains (Warner Bros., Sony Pictures, Universal, Paramount Pictures, Twentieth Century Fox et Walt Disney Studios) ont marqué leur accord pour subsidier environ 80% de l'installation par XDC d'un maximum de 8.000 salles numériques en Europe, permettant ainsi une économie substantielle sur le coût de conversion pour les exploitants. Dans le cadre du modèle VPF, XDC avait, à fin 2011, un carnet de commande global de 4.000 écrans numériques, dont plus de 1.500 avaient déjà été déployés.

■ **vente directe d'équipements de salles de cinéma numérique.**

A travers sa filiale FTT présente dans 10 pays en Europe, XDC est active dans l'installation et la maintenance d'équipements (projection, son, 3D, accessoires,...) dans les salles de cinémas.

■ **services de maintenance et de support technique.**

XDC met à la disposition des exploitants un service «hotline» à travers son Network Operation Center basé à Liège, servant l'ensemble de l'Europe. L'équipe polyglotte composée d'experts du cinéma numérique offre des services de monitoring, mises-à-jour, diagnostique et réparation à distance 24/7.

■ **services aux distributeurs de films.**

XDC offre un service global comprenant l'encodage, la duplication, la gestion des clés, l'assistance 24/7, le suivi extranet et la livraison physique (DCP) et virtuelle (terrestre ou satellitaire). A côté des films proposés par les studios, il existe de nombreux contenus alternatifs qui permettent aux exploitants de diversifier leur proposition commerciale, tels que des projections d'événements sportifs ou de concerts en direct ou non (en 2D ou 3D). La société, à travers sa branche XDC

Entertainment, offre un service complet pour ces contenus alternatifs qui s'étend de la réservation et de la promotion à la livraison, au reporting et à la collecte du box office.

Performance

Le groupe XDC a réalisé EUR 84,3 millions de ventes en 2011, un EBITDA de EUR 17,8 millions (21,1% des ventes). Avec une part de marché estimé à 35%, XDC est le leader européen dans ce secteur.

Recentrage technologique

En mars 2011, XDC a cédé le know-how CineStore à Barco (leader du marché des projecteurs digitaux), tout en gardant son droit de distribution des produits CineStore dans le cadre de l'offre VPF en tant que client privilégié. De cette manière, le groupe recentre ses investissements technologiques sur les solutions de gestion des réseaux de contenus numériques, ouverts sur les équipements propriétaires des fabricants. Dans le même esprit, XDC a acquis, en février 2012, la société allemande Bewegte Bilder afin de renforcer son offre de services de postproduction et la diffusion de copies numériques via satellite sur le marché DACH.

Le potentiel et le risque

Dans le monde, il existe un potentiel de 120.000 écrans à numériser au cours des prochaines années, dont 30% en Europe et 35% aux États-Unis.

A ce jour, plus de 50% ont déjà été numérisés, principalement aux États-Unis. En Europe, plus de 18.000 écrans ont déjà été convertis. Le Groupe XDC détient une part de marché globale d'environ 35%. La nature multiculturelle et fragmentée du marché du cinéma européen diffère de la structure oligopolistique du marché américain. Société de services, donc de proximité, le Groupe XDC se concentre sur le marché de l'Europe (Occidentale et Orientale) avec une équipe jeune et innovante d'environ 180 personnes. Le cinéma numérique est aujourd'hui en route et XDC possède tous les atouts pour rester un acteur majeur de cette révolution. Le principal risque réside dans le fait que cette activité de service et d'infrastructure demande du financement et des investissements importants. Depuis 2009, XDC a été capable de sécuriser le financement et le capital nécessaire à cette activité. Si les conditions de marché devaient se détériorer, ce potentiel pourrait être remis en cause.



Informations pour les actionnaires

L'action EVS

Le capital d'EVS est représenté par 13.625.000 actions sans valeur nominale. Depuis le 15 décembre 2011, les actions d'EVS sont soit nominatives, soit dématérialisées (et doivent donc être inscrites en compte titres). Au 31 décembre 2011, il restait 40.430 actions à dématérialiser, soit 0,3% du capital de la société.

Marché et cotation

L'action EVS est cotée sur le marché continu de NYSE EURONEXT Bruxelles sous le code ISIN (ISIN BE0003820371).

Elle a été introduite en bourse en octobre 1998 au prix de EUR 7,44 (EUR 37,20 avant la division du titre). Le titre a été divisé par 5 en juin 2005. EVS fait partie des indices Next150 et BelMid, et est reprise dans le segment «Next Economy», qui comprend d'autres sociétés technologiques de croissance. En moyenne, sur l'exercice 2011, EVS fut parmi les 30 plus importantes capitalisations boursières belges de la bourse de Bruxelles. En 2011, la valeur maximum atteinte par le cours a été de EUR 48,30 le 4 janvier 2011 et la valeur minimum de EUR 34,10 le 21 novembre 2011. EVS avait une capitalisation boursière de EUR 538 millions au 31 décembre 2011 sur base d'un cours de EUR 39,49. En 2011, l'action EVS a perdu 17,6%, tandis que le BEL20 perdait 19,2%, l'indice Dow Jones Euro Stoxx Technology™ diminuait de 12,8% et le Nasdaq Composite perdait 1,8%.

Au cours de l'année 2011, environ 120% du capital de la société a changé de mains. En moyenne, 63.904 titres ont été échangés quotidiennement sur NYSE-Euronext et les autres plateformes, ce qui représente EUR 2,7 millions, soit une légère augmentation en nombre de titres par rapport à 2010. Ajustée pour un flottant moyen d'environ 90%, la vélocité d'EVS en 2011 était de 138%.

Fin 2011, environ 70 à 75% du capital d'EVS est détenu par des investisseurs internationaux institutionnels contre 20% en 2003.



31,53	37,12	39,45	38,31	15,41	3,70	26,12
4,71	1,76	36,95	39,05	31,99	18,25	
1,24	2,22	38,31	7,60	38,47	0,54	
6,41	35,06	15,78	9,82	36,83	22,51	
2,46	24,96	6,83	15,74	9,20	23,47	
20,61	24,31	37,12	8,97	13,01	2,26	
14,99	13,31	37,57	7,23	7,51	20,88	
12,31	16,81	31,87	5,68	20,88	30,54	
24,39	26,65	36,26	31,90	6,18	28,48	
18,62	26,02	6,97	4,22	8,75	11,54	
4,62	10,11	31,27	19,36	11,11	19,25	
		39,60	8,40	29,94	8,67	
				13,68	37,88	

Politique de dividende

Depuis son introduction en bourse en 1998, EVS a toujours payé un dividende à ses actionnaires. En outre, la société a initié dès 2006 le paiement d'un dividende intérimaire en fin d'année. Le prospectus annonçait un taux de distribution des résultats de 30%. En réalité, ce taux a oscillé entre 60 et 125% depuis 2004. Le rendement de l'action a lui varié de 4% à 10% sur la même période, pour un ratio de payout moyen de 71,8%.

Pour l'exercice fiscal 2011, le Conseil d'Administration proposera aux actionnaires, lors de l'Assemblée Générale Ordinaire du 15 mai 2012, d'approuver la distribution d'un dividende brut par action de EUR 2,36, dont EUR 1,16 a déjà été payé à titre de dividende intérimaire brut en décembre 2011. En cas d'approbation de ce dividende par l'Assemblée Générale, le solde de EUR 1,20 brut (soit EUR 0,90 net du précompte mobilier belge de 25%) sera payé le 25 mai contre remise du coupon n° 14 (date de détachement de coupon : 22 mai 2012; date d'enregistrement: 24 mai 2012).

La proposition du Conseil pour l'exercice 2011 représente un ratio de pay out de 100,4% et un rendement de 5,5%.



Action EVS sur 10 ans

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
NOMBRE DE TITRES ÉMIS (MOYEN)	13.625.000	13.625.000	13.736.111	13.875.000	13.875.000	13.948.973	14.075.000	14.056.250	14.079.940	14.319.760
NOMBRE DE TITRES ÉMIS (31/12)	13.625.000	13.625.000	13.625.000	13.875.000	13.875.000	13.875.000	14.075.000	14.075.000	14.000.000	14.319.760
NOMBRE MOYEN D' ACTIONS, HORMIS LES ACTIONS PROPRES	13.465.244	13.511.048	13.554.643	13.578.250	13.587.090	13.630.464	13.716.934	13.665.062	13.585.895	13.635.080
FREE FLOAT MOYEN	88,5%	82,8%	80,9%	79,5%	77,4%	75,0%	67,5%	60,8%	58,8%	53,3%
VOLUME ANNUEL ÉCHANGÉ⁽¹⁾	16.614.717	13.166.859	15.990.689	13.393.117	8.938.624	10.109.440	10.366.182	9.827.745	5.004.966	2.218.150
VOLUME MOYEN QUOTIDIEN⁽¹⁾	63.904	51.034	62.463	52.317	35.053	39.645	40.335	38.540	19.627	10.085
VOLUME MOYEN QUOTIDIEN (EUR)⁽¹⁾	2.711.612	2.117.886	2.334.306	2.731.703	2.220.117	24.093.258	16.287.747	8.766.000	1.758.579	571.883
VÉLOCITÉ STANDARD⁽²⁾	121,9%	96,6%	116,4%	96,5%	64,4%	72,5%	73,6%	69,9%	35,5%	15,5%
VÉLOCITÉ AJUSTÉE⁽³⁾ - FF MOYEN	137,8%	116,8%	144,0%	121,5%	83,3%	96,7%	109,1%	115,1%	60,5%	29,1%
COURS MOYEN ANNUEL (EUR)	42,67	42,22	37,11	55,78	61,27	38,99	23,42	10,17	4,91	3,82
COURS DE CLÔTURE (EUR)	39,49	47,90	44,80	25,50	79,60	43,80	28,69	16,16	6,40	3,96
COURS LE PLUS HAUT (EUR)	48,30	49,49	53,24	80,39	83,86	44,85	31,85	16,50	6,91	5,36
COURS LE PLUS BAS (EUR)	34,10	31,97	21,22	21,00	42,50	27,85	16,05	6,50	3,56	2,78
CAPITALISATION BOURSIÈRE (MOYENNE, EUR MILLIONS)	581,4	575,2	509,7	773,9	850,1	543,9	329,6	143,0	69,1	54,7
CAPITALISATION BOURSIÈRE (AU 31/12, EUR MILLIONS)	538,1	652,6	610,4	353,8	1.104,5	607,7	403,8	227,5	89,6	56,7
DIVIDENDE BRUT (EUR)	2,36	2,64	2,48	2,48	2,28	1,68	1,20	1,00	0,80	0,10
DIVIDENDE NET (EUR)	1,71	1,98	1,71	1,86	1,71	1,26	0,90	0,75	0,75	0,08
RENDEMENT DU DIVIDENDE (BRUT SUR COURS MOYEN)	5,5%	6,3%	6,7%	4,4%	3,7%	4,3%	5,1%	9,8%	16,3%	2,6%
RACHAT D' ACTIONS PROPRES/ACTION	0,17	0,27	0,05	0,52	0,16	0,47	0,16	0,11	0,09	0,14
BPA COURANT (EUR)	2,35	2,94	1,97	3,56	3,21	2,89	1,46	1,22	0,56	0,35
RATIO DE PAY OUT (BRUT SUR BPA COURANT)	100,4%	89,8%	125,9%	69,7%	71,0%	58,1%	82,2%	82,0%	142,3%	28,7%
RATIO COURS / BÉNÉFICE (MOYEN SUR BPA COURANT)⁽⁵⁾	18,2	14,4	18,8	15,7	19,1	13,5	16,0	8,3	8,7	11,0

(1) Source : volumes selon NYSE-Euronext jusque 2008; à partir de 2009, la source est Fidessa, qui inclut également les échanges réalisés sur les plateformes alternatives.

(2) La vélocité standard correspond au volume annuel de titres échangés exprimé en pourcentage du nombre de titres émis par la société.

(3) La vélocité ajustée correspond au volume annuel de titres échangés exprimé en % du flottant moyen.

(4) Y compris EUR 0,60 de remboursement par action.

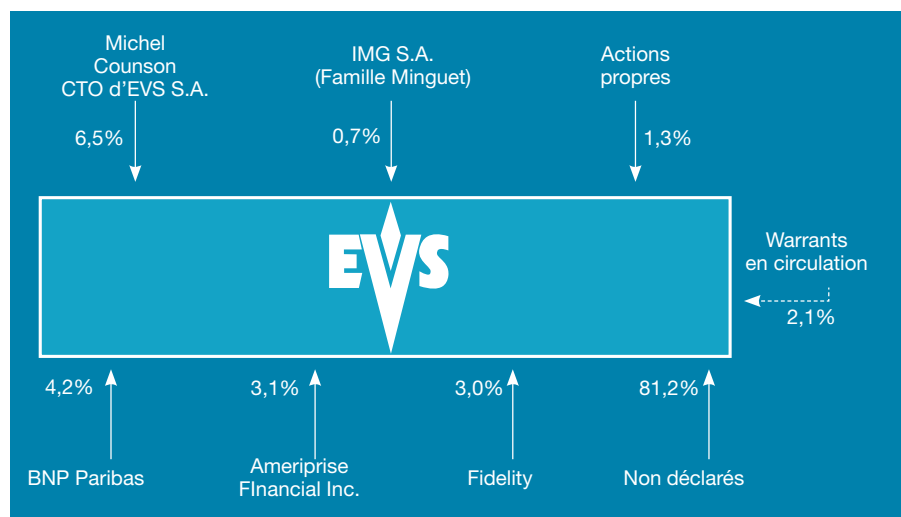
(5) Le ratio cours/bénéfice divise le cours de bourse moyen de l'année par le bénéfice net courant de la même année.

Actionnariat

Les actionnaires ont l'obligation de déclarer le pourcentage d'actions EVS qu'ils détiennent dès que celui-ci passe au-dessus ou en-dessous du seuil des 3% (condition imposée par les Statuts de la société) ainsi que pour tout multiple de 5% (condition requise par la Loi Belge). Le pourcentage d'actions détenues doit être calculé sur base du nombre d'actions en circulation (13.625.000 actions fin 2011).

Au 31 décembre 2011, l'actionnariat d'EVS Broadcast Equipment se présente comme suit (tel qu'il résulte des dernières déclarations de transparence reçues par la société et de la situation des actions propres au 31 décembre 2011).

Pour plus de détail sur l'actionnariat, vous pouvez également consulter la déclaration de gouvernance d'entreprise dans la seconde partie du rapport annuel.





Accessibilité de l'information

Le site web du groupe (www.evs-global.com) permet d'avoir accès aux informations générales sur la société et ses produits, mais aussi aux informations financières, aux règles de Gouvernement d'Entreprise ou aux rapports annuels. Une page indique également les analystes financiers qui suivent la valeur.

Tous les documents légaux peuvent être consultés au siège de la société ou sur notre site internet.

EVS a adopté une politique de « période calme », qui, pendant les périodes sensibles, limite la communication avec les investisseurs à des informations de base, historiques et non liées au présent. Cette période calme commence le premier jour de chaque nouveau trimestre et se termine le jour des résultats. EVS apprécie l'intérêt que ses actionnaires portent à la société, et est convaincu que cette politique permet à la société de bien équilibrer les besoins liés à l'activité tout en communiquant avec les actionnaires existants ou potentiels de la société.

Si vous souhaitez être informé d'événements ou recevoir automatiquement par email nos nouvelles financières, vous pouvez vous inscrire sur notre site web ou en faire part à : corpcom@evs.tv

Agenda de l'actionnaire

Jeudi 10 mai 2012	Résultats premier trimestre 2012
Mardi 15 mai 2012	Assemblée Générale Ordinaire
Mardi 22 mai 2012	Date de détachement du dividende final (coupon n°14)
Jeudi 24 mai 2012	Date d'enregistrement du dividende final (coupon n°14)
Vendredi 25 mai 2012	Date de paiement du dividende final (coupon n°14)
Jeudi 30 août 2012	Résultats second trimestre 2012
Jeudi 15 novembre 2012	Résultats troisième trimestre 2012

Assemblées Générales

Depuis son introduction en bourse en 1998, Chaque année, EVS tient son Assemblée Générale Ordinaire le troisième mardi du mois de mai. Les actionnaires sont invités à y participer ; toutes les modalités pratiques sont publiées un mois avant cette assemblée.

Afin de favoriser les interactions entre la société et ses actionnaires finaux mais également de mieux les connaître pour mieux les servir, EVS exige, selon l'article 24 de ses statuts, que les procurations pour participer à ses Assemblées Générales soient signées par le bénéficiaire économique effectif final. Les procurations signées par un dépositaire ou sous-dépositaire doivent dès lors être accompagnées par une autre procuration dûment signée par le bénéficiaire économique effectif final qui lui permet d'exercer ses droits.

Dans l'intérêt de la bonne gouvernance, cette disposition est appliquée strictement et donne lieu, lors de chaque assemblée, à quelques rejets de procurations non conformes, notamment issues de dépositaires.

Service financier

Les dividendes sont payables auprès de la Banque ING, qui est l'agent payeur unique dans le système dématérialisé « E.S.E.S. » d'Euroclear Belgium.

BANQUE ING S.A.

Avenue Marnix, 24
1000 Bruxelles, Belgique

En juin 2005, l'action EVS a fait l'objet d'une division par 5. Les titres non échangés peuvent l'être auprès de :

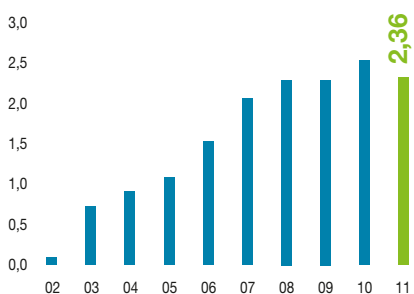
DELTA LLOYD BANK S.A.

B.O. Epargne et placements
Administration/liquidation
Avenue de l'astronomie, 23
1210 Bruxelles, Belgique
Tél. : +32.2.229.77.09
Email : liquidation@dlbank.be

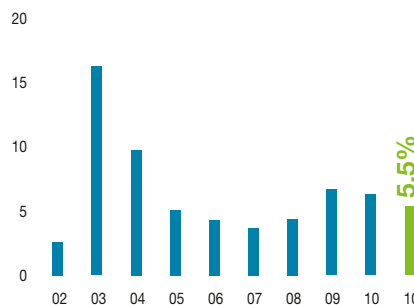




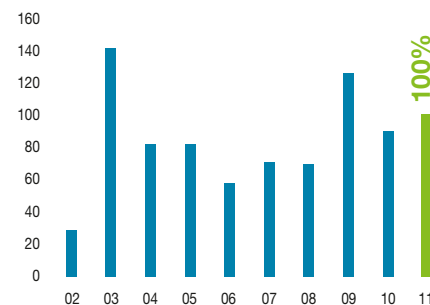
Dividende et remboursement brut par action après split (EUR)



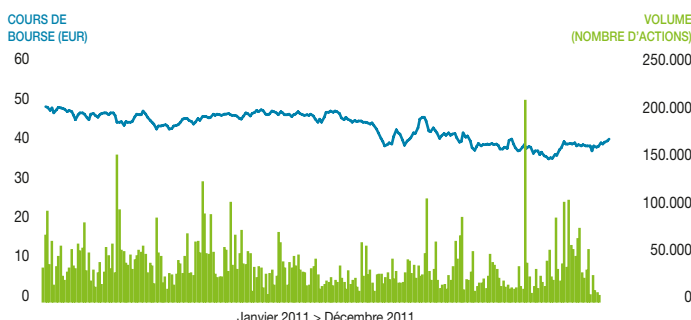
Rendement de dividende (%)



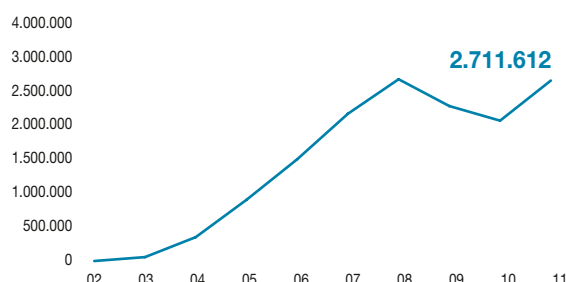
Ratio de pay-out (% du résultat net courant)



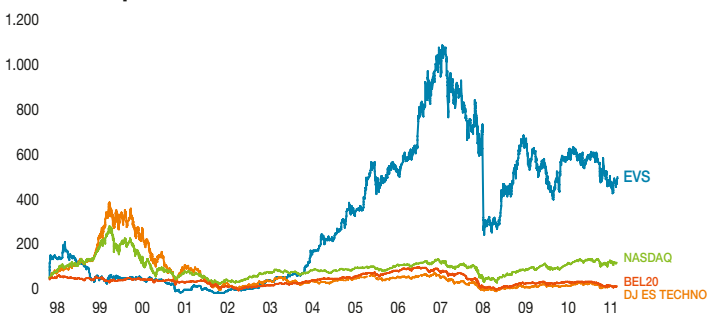
Cours de bourse et volume



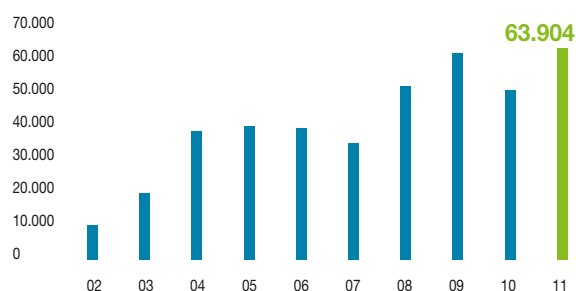
Liquidité - Volume moyen quotidien échangé en bourse (EUR)



De l'IPO à aujourd'hui - Évolution comparative du cours de bourse depuis l'IPO d'EVS le 14 octobre 1998 (base 100)



Liquidité - Volume moyen quotidien échangé en bourse (nombre de titres)



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Chiffres clés consolidés – IFRS (EUR millions)

	2011	2010	2009	2011/2010
CHIFFRE D'AFFAIRES	106,9	111,2	76,6	-3,8%
RÉSULTAT D'EXPLOITATION – EBIT ⁽¹⁾	44,1	55,5	37,2	-20,6%
RÉSULTAT NET (PART DU GROUPE)	32,1	38,1	25,4	-15,7%
RÉSULTAT NET COURANT, HORS XDC (PART DU GROUPE) ⁽²⁾	31,7	39,7	26,7	-20,3%
INVESTISSEMENTS	3,0	1,9	3,0	+63,8%
FLUX DE TRÉSORERIE GÉNÉRÉ PAR LES ACTIVITÉS OPÉRATIONNELLES	47,6	52,9	37,7	-10,1%
FONDS PROPRES AU 31/12 (AVANT ATTRIBUTION DU DIVIDENDE FINAL)	55,7	60,8	59,8	-8,4%
TRÉSORERIE NETTE (31 DÉCEMBRE) ⁽³⁾	18,8	25,9	31,1	-27,6%
BESOIN EN FONDS DE ROULEMENT AU 31/12 ⁽⁴⁾	33,2	27,5	18,0	+20,7%
NOMBRE D'EMPLOYÉS (ÉQUIVALENTS TEMPS-PLEINS AU 31 DÉCEMBRE)	415	366	276	+13,4%

Données par action (EUR)

	2011	2010	2009	2011/2010
NOMBRE MOYEN D'ACTIONS, HORMIS LES ACTIONS PROPRES	13.465.244	13.511.048	13.554.643	-
RÉSULTAT NET, PART DU GROUPE, DE BASE ⁽⁵⁾	2,38	2,82	1,88	-15,5%
RÉSULTAT NET COURANT, HORS XDC, PART DU GROUPE, DE BASE ⁽⁶⁾	2,35	2,94	1,99	-20,3%
DIVIDENDE BRUT (INTÉRIMAIRE + FINAL)	2,36	2,64	2,48	-10,6%
FONDS PROPRES PAR ACTION	4,09	4,46	4,36	-8,4%

Ratios (%)

	2011	2010	2009	2011/2010
MARGE BRUTE (%)	78,4%	79,6%	81,8%	-
MARGE D'EXPLOITATION (%) ⁽¹⁾	41,3%	50,0%	48,7%	-
RENTABILITÉ NETTE ⁽⁶⁾	29,6%	35,7%	34,9%	-
PAY-OUT RATIO (DIVIDENDE BRUT/RÉSULTAT NET COURANT, HORS XDC)	100,4%	89,8%	125,9%	-
RENDEMENT DE DIVIDENDE (DIVIDENDE BRUT/COURS DE BOURSE MOYEN)	5,5%	6,3%	6,7%	-
RENDEMENT SUR FONDS PROPRES - ROE ⁽⁷⁾	52,7%	63,6%	37,4%	-
RENDEMENT SUR CAPITAUX EMPLOYÉS - ROCE ⁽⁸⁾	103,4%	141,1%	118,0%	-

(1) L'EBIT signifie "Earnings Before Interests and Taxes" et correspond au résultat d'exploitation avant intérêts et impôts. La marge d'exploitation est l'EBIT divisé par le chiffre d'affaires.

(2) Le résultat net courant, hors XDC, est le résultat net (part du groupe) hors éléments non opérationnels (nets d'impôts) et hors contribution de XDC.

(3) La trésorerie nette est égale à la trésorerie et équivalents de trésorerie moins les dettes financières et autres dettes à long terme et leur partie échéant dans l'année.

(4) Le besoin en fond de roulement est égal aux stocks + créances commerciales - dettes commerciales.

(5) Calculé en utilisant le nombre moyen d'actions sur l'année hormis les actions propres et sans inclure les warrants.

(6) La rentabilité nette est égale au résultat net courant divisé par le chiffre d'affaires.

(7) Ce rendement résulte de la division du résultat net (part du groupe) par les fonds propres de début d'exercice.

(8) Résultat net courant, hors XDC / (goodwill, immobilisations incorporelles, corporelles et inventaires).

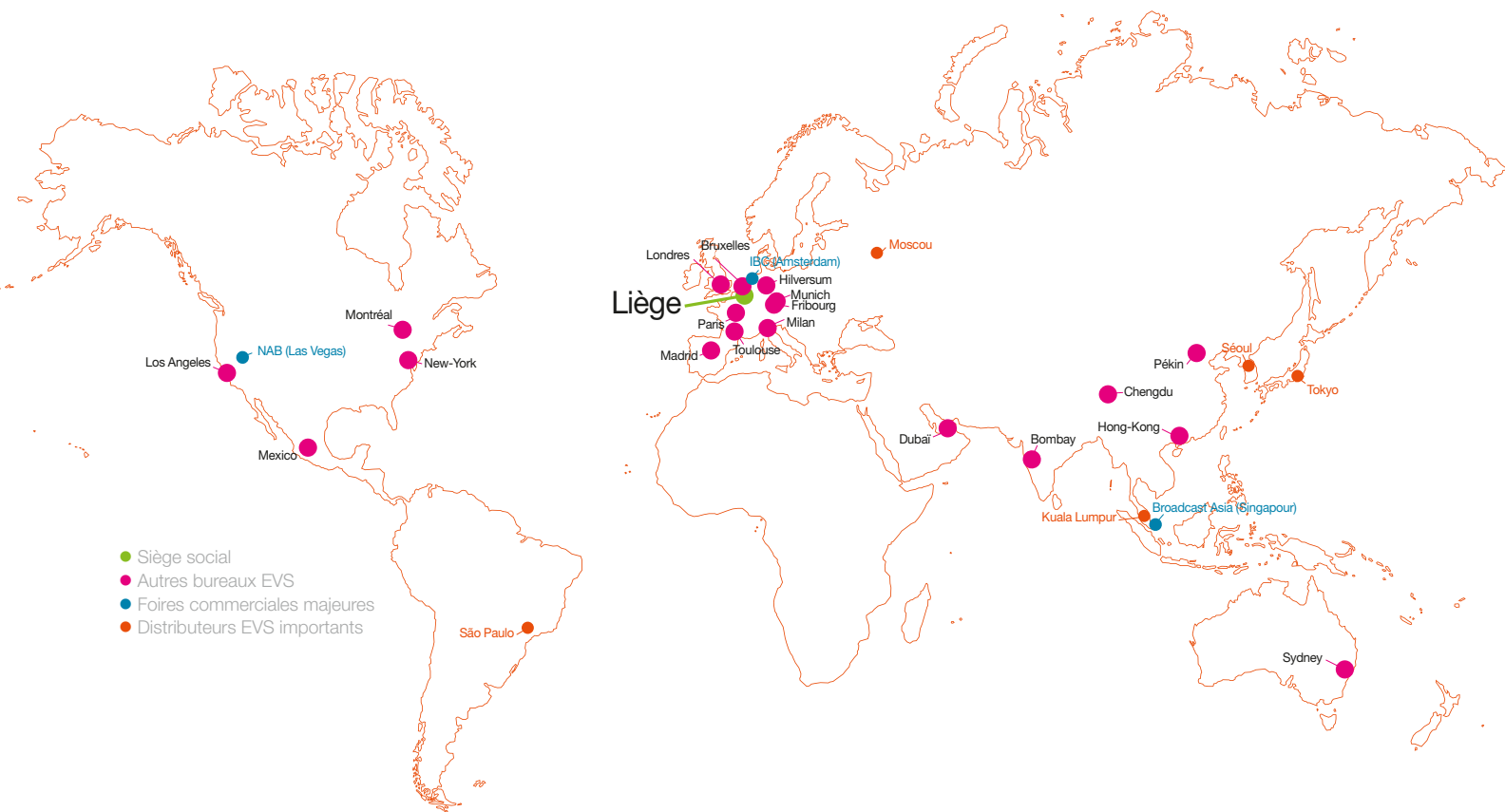
EUR 18,8 millions
Position nette de trésorerie à fin 2011

5,5%
Rendement de dividende en 2011

52,7%
Rendement sur fonds propres



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Le Rapport Annuel (rapport de gestion, comptes et notes) est disponible sur le site internet (www.evs-global.com).

Une version imprimée peut être obtenue sur demande.



Management Report 2011

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FINANCIAL REPORT

CONSOLIDATED KEY FIGURES – IFRS (EUR MILLIONS)

	2011	2010	2009	2011/2010
Revenue	106.9	111.2	76.6	-3.8%
Gross margin %	78.4%	79.6%	81.8%	-
Operating profit - EBIT	44.1	55.5	37.2	-20.6%
Operating margin (EBIT) %	41.3%	50.0%	48.7%	-
Contribution from XDC ⁽¹⁾	2.3	-0.2	-1.7	-
XDC dilution profit ⁽¹⁾	-	-	1.3	-
Income taxes	-14.3	-16.7	-11.4	-14.5%
Net profit, group share	32.1	38.1	25.4	-15.7%
Net profit from operations, excl. XDC, group share ⁽²⁾	31.7	39.7	27.0	-20.3%
Net profit margin (%)	29.6%	35.7%	35.3%	-

⁽¹⁾ On 30 December 2009, EVS reduced its participation in XDC S.A. capital, from 47.2% to 41.3%. Following the dilution of 5.9%, EVS reported a dilution profit of EUR 1.3 million in 2009.

⁽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 note 6.3 on use of non-GAAP financial measures.

HIGHLIGHTS

In 2011, the industry did not experience the dynamism that we expected at the beginning of the year. On one hand, OB van companies have clearly started to invest again in new technologies after a few years of consolidation and in advance of a heavy 2012 sporting year. Our successful XT3 platform has driven sales in that segment in the second half of the year. However, in studios, the market has been pretty flat in 2011 compared to 2010. The macro-economic environment has probably delayed some investments. But new ideas and new projects are not abandoned, and we see new promising niches popping up, such as archives, second screen solutions or news workflows. Our position in the emerging markets has been reinforced in 2011 (36% of EVS revenues), with the opening of a new office in Mexico, and two large contracts in Eastern Europe.

As expected, sales were higher in the second half, which allowed us to record, for FY11, nearly stable sales (-3.8% to EUR 106.9 million). The lower 41.3% EBIT margin is due to the increasing cost base as a result of additional employees hired in 2011.

We are very enthusiastic about our record order book, which prepares for a strong first half of 2012, partially driven by major sporting events. The second half of the year is more uncertain, and should be impacted by the usual market slow down following big events, the timing of the launch of expected solutions, and the macro-economic environment.

LONG TERM STRATEGIC PLAN

Sport is where EVS is born. And sport is also where all the new technologies are used first. This is why the long term growth drivers that have supported the development of EVS over the last decade are now also supporting its diversification outside of live sport productions. With its **EVS Sports360°** strategy, EVS wants its clients to be at the forefront in this rapidly changing environment: the partitioning of rights, the mergence between IT and traditional broadcast technology, the profusion of digital media platforms. EVS Sports360° helps the market to take on these challenges successfully, bringing together the industry's most reliable live production tools, novel highlight creation and content management suites, resourceful archive monetization tools, and instant multimedia delivery platforms.

In its diversification process, EVS wants to take a leading position in niches that have a high growth potential. Its **"Speed to Air"** strategy is an answer to TV stations desire to move to new production workflows, benefiting from the flexibility of tapeless workflows. The other main reasons of investments in TV stations are the transition from standard definition (SD) to high definition (HD), the look for catching audiences on "second screens", and an increased focus of broadcasters/IPTV and advertisers on large popular sport broadcasts to gain new viewers. 3D technologies appear to speed up the conversion to tapeless HD production facilities. In the medium to long term, EVS targets the studio market (tapeless solutions) which is estimated to be currently **USD 0.8 billion** per annum according to the IABM Broadcast Industry survey and includes storage solutions, video servers, editing solutions, services, etc, of which around 50% has already made the transition to tapeless solutions. The tapeless studio market is expected to grow by 10% per annum in the next decade. EVS succeeded in growing its market share in its currently addressable market from 1% in 2005 to around 7% in 2011. Therefore, taking into account usual business risks and uncertainties, EVS Board and teams believe that the underlying demand for EVS products should continue to be supported by these structural growth drivers, which will impact the business over a long period of time and will follow usual equipment acquisition wave patterns.

REVENUE

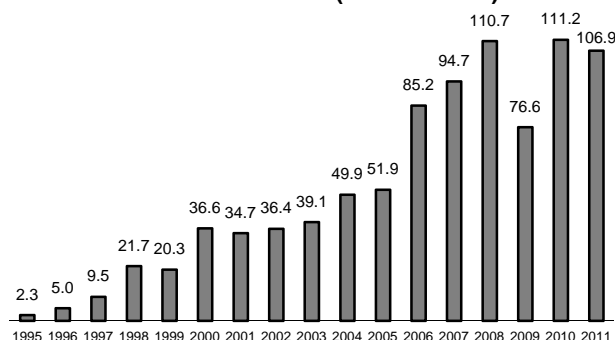
EVS revenue amounted to **EUR 106.9 million** in FY11, a decrease by 3.8% at actual exchange rate compared to FY10, but a +6.3% increase at constant exchange rate and excluding the big events rentals. Sales of solutions in the studios decreased by 12.9% (-4.0% at cst exch. rate and excl. big events) to EUR 48.3 million, representing 45.2% of total group sales in 2011. Outside broadcast sales grew 5.2% in FY11 to EUR 58.6 million (+16.3% at cst exch.rate and excl. big events). They represented 54.8% of total sales in 2011. Revenues in FY11 included EUR 0.8 million of rentals relating to the Winter Asian Games and to the Panam Games, compared to EUR 10.2 million in 2010.

In 2011, in Europe, Middle-East and Africa ("**EMEA**"), sales amounted to EUR 57.8 million (-5.1% compared to FY10), representing 54.1% of group revenue. The United Kingdom, Eastern Europe and the Middle East were clear drivers of the business in 2011, and will continue to do so in 2012 with the remaining tranches of the Panorama OB deal and the major studio project that we have in Eastern Europe.

Sales in the Americas ("**NALA**") were EUR 25.5 million (-7.8% at constant exchange rate). New OB vans and upgrades to HD continue to drive the business, while the studio segment was weaker in 2011.

In Asia & Pacific ("**APAC**"), sales increased by 11.3% to EUR 23.5 million. Malaysia, China and South Korea were in 2011 the most dynamic countries for the EVS business. The continued high demand for European sport content on TV in APAC is a long term driver for our company in that part of the world.

Revenue evolution (EUR millions)



Sales by region (EUR millions)

	2011	2010	2009	Mix 2011	2011/2010
Europa, Middle-East, Africa (EMEA)	57.8	61.0	48.0	54.1%	-5.1%
America (NALA)	25.5	29.1	17.3	23.9%	-12.1%
At constant exchange rate ⁽¹⁾	26.8	27.7	18.1	-	-7.8%
Asia-Pacific (APAC)	23.5	21.1	11.3	22.0%	+11.3%
TOTAL	106.9	111.2	76.6	100%	-3.8%

⁽¹⁾ Reference exchange rate: 2010.

RESEARCH AND DEVELOPMENT

Research and Development expenses in 2011 were EUR 18.5 million, up 14.1%, reflecting the increase of the number of engineers joining EVS in this department, including engineers working for OpenCube Technologies, French company acquired by EVS in 2010 and consolidated since April 1, 2010. They represent around 17% of revenue. In accordance with the group's accounting rules (Belgian and IFRS), these expenses are fully expensed over the financial year. Today, there are around 210 high-level engineers working on the conversion of television to all-digital technology. The future of the audio-visual sector will be influenced mainly by the changes in the digital technologies which will offer viewers more choice, better quality and interactivity. Customer satisfaction is at the heart of EVS' concern. The group's strong vertical integration between the sales/support activities at the local level and the centralization of R&D enable rapid adaptation of products. EVS priority in terms of R&D is to continue the development of tapeless modular production platforms with a broad bandwidth which offer producers even more flexibility and quality when broadcasting content to viewers.

Since 4Q10, EVS takes into account a withholding tax exemption given since 2006 by the Belgian government to companies paying or allocating compensation to individual researchers who are engaged in collaborative R&D programs according to some criteria defined under section 273 of the Code of income tax in Belgium. In the presentation of the accounts for 2010 and 2011, the amount relating to the current year comes as a deduction of R&D charges. In addition, at the end of 2010, EVS introduced, at the Belgian tax authorities, an application for automatic relief relating to the regularization of withholding taxes deducted from the remuneration of its R&D staff during the January 1, 2006 to December 31, 2009 period. This claim on the past has been settled in 2Q11, leading to a total one-time profit of EUR 1.1 million in FY11.

In 2011, EVS launched its new XT3 platform. This new production server includes an increased number of channels (eight, compared to six in the XT2), which became necessary following the growing complexity of sport productions. This server also presents more storage capacity and a larger bandwidth. It will be the basis for all new developments realized by the R&D teams of EVS. Other development initiatives launched by the company over the last few years also start to bear fruits, such as the MediaArchive Director solution, which allow to better manage video archives, or C-Cast, an application dedicated to new medias and that offers more content to TV viewers watching live events.

STAFFING

Breakdown of personnel by department (in full-time equivalents):

	Corporate Services	Research & Development	Sales & Marketing	Production & Operations	Total
Dec.31, 2009	46	126	31	73	276
Dec. 31, 2010	56	170	39	101	366
Dec. 31, 2011	58	211	41	105	415

As of December 31, 2011, EVS had a total of 415 employees (full-time equivalents), an increase of 13.4% compared with end of year 2010. More than 50 individuals were hired during the financial year with a view to strengthening the leadership of the company in its niche markets and preparing for the future. The total salary cost stands at EUR 25.6 million in 2011 as opposed to EUR 23.0 million in 2010. Throughout 2011, the average number of employees was 386, up 18.4% over 2010. Most recruits in 2011 were made on the basis of new strategic business niches. EVS will continue to hire some good broadcast experts in the future, the company will be more selective and not only focus on R&D, but also on the other departments of the company.

RESULTS

2011 key figures per quarter

IFRS - EUR million, except earnings per share expressed in EUR	1Q11 unaudited	2Q11 unaudited	1H11 reviewed	3Q11 unaudited	4Q11 unaudited	2H11 reviewed	2011 Audited
Revenue	22.7	23.4	46.1	29.8	31.0	60.8	106.9
Gross margin	17.5	18.0	35.5	24.2	24.1	48.3	83.8
Gross margin %	77.2%	76.9%	77.0%	81.0%	78.0%	79.4%	78.4%
Operating profit – EBIT	9.0	8.2	17.2	13.9	13.0	26.9	44.1
Operating margin – EBIT %	39.8%	35.0%	37.3%	46.6%	41.9%	44.2%	41.3%
Contribution from XDC	2.6	-0.1	2.5	0.5	-0.7	-0.2	2.3
Net profit – Group share	8.9	5.7	14.5	10.0	7.5	17.5	32.1
Net profit from operations, excl. XDC – Group share ⁽¹⁾	6.5	6.6	13.1	9.8	8.7	18.5	31.7
Basic earnings per share	0.66	0.42	1.08	0.74	0.55	1.29	2.38
Basic earnings per share from operations, excl. XDC ⁽¹⁾	0.48	0.49	0.97	0.73	0.65	1.38	2.35

⁽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 Note 6.3: use of non-GAAP financial measures.

Consolidated gross margin was 78.4% for FY11, slightly lower than FY10, mainly due to lower sales absorbing fixed assembling and support costs. Operating expenses increased by 21.6% in FY11, due to the number of new employees at EVS, higher commercial fees for distributors, partially offset by the positive effect of the R&D tax credit (EUR 1.1 million). As a result, the operating (EBIT) margin fell to 41.3% of revenue, compared to 50.0% in FY10.

Group income taxes were EUR 14.3 million in FY11, representing a 30.8% tax rate. Net profit amounted to EUR 32.1 million in FY11, or -15.7% compared to FY10, while net profit from operations, excluding XDC, was EUR 31.7 million in FY11. Basic net profit per share amounted to EUR 2.38 in FY11, compared to EUR 2.82 for FY10.

XDC, in which EVS owns 41.3% of shares (30.2% fully diluted), continue to benefit from the digital cinema transition. Together with its affiliate FTT, XDC has committed for around 5,000 digital screens and installed more than 2,000 so far in Europe, representing more than 35% market share, making it the leader. XDC revenue in FY11 jumped by 38% to EUR 84.3 million. XDC recorded a positive EBITDA of EUR 17.8 million, or 21.1% of revenues. XDC had a positive group share (41.3%) contribution to the FY11 results of EVS of EUR 2.3 million, compared to a net impact of EUR -0.2 million in FY10. This is mainly thanks to the one-time profit in 1Q11 on the disposal of the CineStore activities.

Data per share (EUR):

	2011	2010	2009	2011/2010
Weighted average number of subscribed shares for the period, less treasury shares	13,465,244	13,511,048	13,554,643	-0.3%
Basic net profit, group share	2.38	2.82	1.88	-15.5%

BALANCE SHEET, CASH-FLOW, OWN SHARES AND EMPLOYEE PROFIT SHARING

Net Equity represents 64.4% of total liabilities. The inventories amounted to EUR 14.7 million at the end of December, an 18.0% increase compared to the end of 2010. This increase is mainly due to the accumulation of strategic components to avoid shortages (incl. hard drives, following the flooding in Thailand), and the higher value of the XT3 servers compared to the older XT2 that were still in the inventory at a lower price. DSO was around 70 days.

The net cash-flow from operations amounted to EUR 33.6 million in 2011. On December 31 2011, the group balance sheet shows EUR 19.9 million in cash and cash equivalents (after the payment of EUR 15.6 million for the interim dividend at the end of November) and EUR 1.2 million long-term financial debts (including short term portion of it).

The group optimized the return for shareholders with the interim gross dividend of EUR 1.16 per share paid out in December 2011 and a final proposed gross dividend of EUR 1.20 per share to be paid on May 25, 2012, representing a total of approximately EUR 31.7 million, and an average dividend yield of 5.5% in 2011.

At the end of 2011, there were 13,625,000 EVS outstanding shares, of which 183,372 were owned by the company. EVS repurchased 60,228 own shares in 2011 on NYSE-Euronext at an average share price of EUR 38.49, representing an investment of EUR 2.3 million, while 17,259 shares were granted or sold to employees under share-based compensation schemes, including the profit-sharing scheme (9,409 shares). Indeed, following what was done the previous years, and within the framework of the law of May 22, 2001, the Ordinary General Meeting of May 17, 2011 decided to grant its employees a special reward through the profit-sharing scheme ("plan de participation bénéficiaire") similar to the grant of shares of the company up to an amount of approximately EUR 0.5 million.

In 2011, the Board of Directors decided to grant a total of 2,000 warrants to some employees at a strike price of EUR 37.71. As of December 31, 2011, 286,550 warrants were outstanding with an average strike price of EUR 39.37 and an average maturity of December 2014. However, only 220,800 warrants were exercisable and in-the-money at December 31, 2011. The 286,550 existing warrants have a potential diluting effect of 2.1% on capital. This is partially covered by the 183,372 treasury shares held by the company and acquired at an average price of EUR 37.71.

EVS accelerated the dematerialization of its shares. As a consequence, as from December 15, 2011, the securities in bearer form issued by the company which would not have yet been registered on a securities account will automatically be converted in book-entry securities as from December 15, 2011.

DISPUTES

As per December 31, 2011, EUR 1.1 million provisions were available to reasonably cover various ongoing commercial disputes.

INVESTMENTS

EVS business does not require major investments in equipment. The group's policy is to have its own premises and primarily finance them through shareholders' equity, and in some cases via long-term bank loans. As per December 31, 2011, the net book value of lands and buildings was EUR 11.9 million. Most of the buildings have benefited from regional or European subsidies.

Following the rapid growth of the Belgian teams spread into six different buildings in the Liège Science Park, the Board of Directors of EVS approved the project to build a new facility nearby the existing site. The project is estimated at approximately EUR 40 million, from which around EUR 5.6 million regional and European subsidies must be deducted. In addition, all or part of the current buildings, valued at EUR 9.7 million at end of 2011, should be sold by EVS. The investment will be financed mainly through debt.

CAPITAL AND SUBSIDIARIES

The EVS Broadcast Equipment S.A. capital of EUR 8,342,479 was unchanged in 2011 and is represented by thirteen million six hundred and twenty five thousand shares (13,625,000) without any designation of nominal value.

In the context of the development of EVS activities throughout the world, the company acquired, in 2011, a new subsidiary in Mexico: EVS Broadcast Mexico SA de CV.

OUTLOOK 2012

As of February 15, 2012, and as published in the 2011 annual results press release on February 16, 2012, the global winter order book (to be invoiced in 2012) reached EUR 46.1 million, +83.2% compared to EUR 25.2 million on the same date one year ago. This is a record order book for EVS. In addition to this EUR 46.1 million order book, EVS has orders for EUR 3.6 million that should be invoiced in 2013 and beyond. EVS increases progressively its recruiting services revenues.

“Studio” orders represent 54.1% of the total EUR 46.1 million order book while they represent 47.1% of the total order intake in 2011. EVS continues to gain market shares and significant customers in this promising segment while the company consolidates its position in the Outside Broadcast segment.

The Management and the Board of Directors want to highlight the following elements: the first half of the year should be very strong, also supported by the Euro Soccer championship and the proximity of the London summer games. The second half of the year should see the usual slow-down of the broadcast market following big event summer, with the macro-economic environment adding some uncertainties. The planned release of new products in 2012 should also support the business.

The Board decided to accelerate investments in innovation back early 2009 when the industry was hit by the most severe downturn in a decade. This strategy obviously translates into growing operating expenses, mainly R&D. Short term margins are weaker but longer term margins should hopefully be higher. EVS targets small niches where the combination of infrastructure reliability, applications agility and service quality are essential satisfaction criteria. It should be clear that risk factors such as economical uncertainties, banking troubles, balance-sheets constraints for clients or major currencies fluctuations are not easing any forecast.

RECENT EVENTS

Significant events that arose after the balance sheet date are:

- the information communicated on February 16, 2012;
- on February 16, 2012, EVS announced two major contracts with a Russian customer (Panorama) and a customer from its EMEA zone, for a global amount around EUR 8 million;
- since January 1, 2012, employees of EVS in Belgium are automatically affiliated to a second pension plan subscribed with AG Insurance. EVS contributes in this plan at a rate of 3.0% of gross annual salary. The plan has four parts: retirement plan, risk of death, disability and risk waiver insurance premiums;
- In February 2012, XDC, in which EVS owns 41.3%, acquired 100% of BEWEGTE BILDER Medien AG, a company based in Germany, leading provider of services in the cinema industry.

PROPOSALS BY THE BOARD TO THE SHAREHOLDERS

As it was proposed since the introduction of the stock exchange in 1998, the Board of Directors has decided to optimize the return for shareholders in the form of a dividend and/or repurchase of own shares. The Board, therefore, recommends a total gross dividend of EUR 2.36 per share (including the interim dividend of EUR 1.16) at the Ordinary General Meeting to be held on May 15, 2012, what would imply a final gross dividend of EUR 1.20 per share to be paid on May 25, 2012. The Board of Directors proposes to grant shares to the employees within the framework of the law relating to profit-sharing schemes.

The group has a policy of repurchasing treasury shares which evidences EVS confidence in its future. The Board of Directors has the authorization, given by the Extraordinary General Meeting of June 12, 2009, to buy back shares

- with a view to averting serious and imminent harm to the company (valid until July 9, 2012)
- in the normal course of operations (valid until July 9, 2014), under certain conditions and with a maximum of 20% of existing shares.

The group intends to pursue its own shares repurchase policy as the market opportunities arise, and in the limits of these authorizations.

CORPORATE GOVERNANCE STATEMENT

This section of the annual report summarizes the rules and principles of good corporate governance established by EVS, in accordance with Belgian Code of Companies (and the law of April 6, 2010), articles of incorporation and the Charter of Corporate Governance. It also focuses on activities related to the year 2011.

1. CORPORATE GOVERNANCE CHARTER

Already in 2006, the Board of Directors of EVS Broadcast Equipment approved a Corporate Governance Charter ("Charter"), which has been regularly updated. Today, this Charter is based on the 2009 Belgian Code on Corporate Governance ("Le 2009 Code"). The Board still reviews this Charter whenever needed. This document is fully available on the group's website www.evs-global.com.

The Charter adopted by the Board of Directors meets EVS most points in the 2009 Code. However, the Board considered that exceptions to the 2009 Code were justified given the specificities of EVS. The last section of this chapter shows the differences with the 2009 Code, and explains the reasons for the exemptions.

2. BOARD OF DIRECTORS

The members of the Board of Directors are appointed for a term between 1 and 6 years. On December 31, 2011, the Board of Directors was made up of 8 members. Decisions are taken by a majority vote. In the event of a tie, the Chairman of his representative has a casting vote. In the case of a conflict of interest, the people involved do not take part to the debates and to the vote.

When one or several positions of Director becomes vacant as a consequence of death, resignation or for any other reason, the remaining directors are entitled to fill the vacancy temporarily. In such a case, the General Meeting shall make the definitive appointment at its next session. The Director so appointed shall serve for the remaining term of the Director whom he replaces.

The members are provided with various documents at each Board meeting or these are enclosed with the notification of the meeting: these documents include reports, financial results, investment documents and other papers relating to the items on the agenda.

In 2011, the Board met 12 times and discussed the following matters: R&D and product developments, monitoring subsidiaries, buyback of treasury shares and liquidity, 2011 business updates, the 2012 budget, examining acquisition and partnership projects, preparing press releases and preparation of General Meetings, renewal of Directors' mandates and appointment of new ones, negotiation of the end of the cooperation with Belinvest SA (P. L'Hoest) and Jean Dumbruch.

3. SPECIALIZED COMMITTEES ATTACHED TO THE BOARD

The Board of EVS has set up, since a few years, an Audit Committee and a Compensation Committee to conduct a review of specific issues and advise on this. The final decision remains a collective responsibility of the Board of Directors.

3.1. Audit Committee

The Audit Committee is composed of three non executive directors, two of whom are Independent Directors. This committee assists the Board of Directors in its responsibilities concerning the integrity of the financial information relating to the company and, in particular, supervising the financial reports, the internal audit function, the external audit function and the relations between the company and its shareholders. The Audit Committee met two times in 2011 in the presence, for most of the topics, of the CFO and the company's Auditor.

3.2. Compensation Committee

The Compensation Committee is composed of three non executive directors, two of whom are Independent Directors. This committee assists the Board of Directors in its responsibilities concerning the setting of remuneration for the company's executives and managers. This committee met three times in 2011.

As part of the reorganization process initiated in 2009, and more particularly from the resignation of Belinvest SA from his mandate of CEO in September 2011, the three members of the compensation committee met exceptionally 12 times in addition to the regular committees. Francis Bodson, member of this committee, also participated to seven additional meetings with the management.

On December 31, 2011, the Board of Directors was made up as follows:

		Director since	Audit Committee	Compensation Committee	Term of mandate	Activities in 2011	
						Attendance Board meetings	Attendance Committees
ACCES DIRECT S.A., represented by Pierre RION *	Chairman, Independent Director	2010*	Member	Chairman	May 2014	12/12	5/5
Francis BODSON	Director **	1998		Member	May 2014	10/12	3/3
Michel COUNSON	Managing Director, Founder	1994			May 2016	12/12	
Jean DUMBRUCH	Director ***	1999			May 2014	12/12	
Jacques GALLOY	Executive Director	2001			May 2014	11/12	
Jean-Pierre PIRONNET	Director	2010	Member		May 2014	10/12	2/2
Christian RASKIN	Independent Director	2010	Chairman	Member	May 2014	12/12	5/5
Yves TROUVEROY	Independent Director	2011			May 2012	8/9	

* Pierre RION was Director as a natural person between 2003 and 2010.

** Francis Bodson is not considered any more as an independent Director since the Ordinary General Meeting of May 2011, as the criteria of independency are not met any more (of which his presence for more than 12 years in the Board).

*** Jean DUMBRUCH resigned on September 29, 2011 from his operational functions (buildings, insurance, some legal matters), but keeps his mandate of Director.

Francis BODSON (65)

Director since September 25, 1998, Francis Bodson is Deputy Managing Director of BeTV (former CANAL+ Belgium) and has also been Head Engineer since Canal+ Belgium started in 1988. He has also been CIO since 2002. He was Director of Engineering at RTBF ("Radio Télévision Belge de service de la Communauté Française de Belgique") for fifteen years (1973-1988). He graduated as a Civil Engineer in electronics at the University of Liege and specialized in acoustics.

Michel COUNSON (52)

CTO Hardware Design of the company since it was founded in 1994, Michel COUNSON graduated from the "Institut Electronique" in Liège in 1982. He started his career as a Hardware Engineer with TECHNIQUE DIGITA L VIDEO S.A. in 1983 before founding his own company, VIDEO SYSTEM ENGINEERING S.P.R.L., in 1986 which used to work in partnership with EVS on numerous projects. The two companies merged in 2000. He is Manager of the Hardware Department.

Jean DUMBRUCH (61)

Jean DUMBRUCH graduated as an Electronics Engineer and has been an active player in the company from the very beginning. He is a Director of several companies.

Jacques GALLOY (41)

Director and CFO since 2001, Jacques GALLOY is Chief Financial Officer of EVS, and Company Secretary. He is a Commercial Engineer, started his career at PriceWaterhouseCoopers in Luxemburg, and then at RTL Group. He is at the head of EVS Corporate Department and participates actively in the group's international development. He is also Chairman of the Board of Directors of XDC S.A., and a member of the Governance Council of HEC-ULg.

Jean-Pierre PIRONNET (62)

Jean-Pierre Pironnet is Managing Director of several non listed companies and is an independent wealth manager. He has been an active shareholder of EVS since the founding of the company up to its IPO in 1998, period during which he played an important role. He is a Doctor of Medicine graduated from Liège University.

Christian RASKIN (65)

Christian Raskin was a member of the Board of Management of Draka Holding, one of the largest cable companies in Europe, with leading positions in Belgium, the Netherlands and France. He holds a Bachelor of Economics from UCL in Belgium. In 1984, he cofounded Zetes Electronics (now Zetes Industries, listed on Euronext Brussels). He joined Draka in 1991 and was successively Managing Director of Plasma Optical Fibre BV in Eindhoven (The Netherlands), Draka France and Draka Nederland BV. He joined the Corporate Office and the Board of Management of Draka in 2001. He is an independent Director on the Board of EVS.

Pierre RION (53)

Pierre Rion is co-founder of the IRIS group, which he co-managed up to 2001. He is a qualified Electronics and Computing Civil Engineer from the University of Liège, a Business Angel, and he also sits on the boards of other Belgian companies, including XDC, IDDI, Pairi Daiza, Akkanto and Belrobotics. He is also Vice-President of the Agence du Commerce Extérieur. He is Compliance Officer of EVS.

Yves TROUVEROY (51)

Yves Trouveroy is Partner at E-Capital Equity Management, the management company of the private equity funds E-Capital I (1999), E-Capital II (2007) and E-Capital III (2011) that invest in Belgian small and medium-sized companies. Before 1999, he practiced as Lawyer at De Bandt, van Hecke & Lagae and then served as executive in the International Trade & Project Finance and Corporate Investment Banking departments of Generale Bank (Fortis). He holds a law degree from the Université Catholique de Louvain and a Masters of Laws from New York University

4. DAY-TO-DAY MANAGEMENT

The Board of Directors has delegated day-to-day management to an Executive Committee. Two other committees assist this one in particular aspects (new product development and allocation of resources in the headquarters in Liège):

4.1. Executive Committee

- Michel COUNSON, Managing Director and CTO
- Pierre L'HOEST, Managing Director and CEO
- Jacques GALLOY, Director and CFO

Following the resignation of Pierre L'HOEST, the Executive Committee has been reinforced with the arrival of Luc DONEUX (Head of EMEA, APAC, Events) in September 2011.

The Executive Committee coordinates the monitoring and development of the company and its affairs. Its members are in permanent contact, receive information on the group's financial situation, sales and projects, and the Committee takes operational decisions such as appointing or dismissing staff and concluding contractual agreements.

4.2. Broadcast Executive Committee

A Broadcast Executive Committee has been in place to help defining the requirements in terms of "Broadcast" products, draw up specifications documents, establish and follow the "Roadmap" for the R&D departments and determine commercial policies. Coordinated by Pierre L'HOEST (CEO) until September 2011, the committee meets once a month. It includes the members of the Executive Committee and Bernard STAS (Product Management), Thierry KEUTGEN (Product Development), Quentin GRUTMAN (Coordination Sales and Operations EMEA), Frédéric GARROY (Sales and Operations NALA), and Nicolas BOURDON (Marketing), with the support of the heads of the R&D and of the Business Units, depending on the items on the agenda.

4.3. Management Committee of EVS Belgium

The role of this committee is to ensure optimum general coordination of Belgian resources to meet the strategic objectives of the group, including in areas such as appointing new people, standardizing pay policy, developing staff assessment procedures, improving internal communication and allocating premises. This committee meets twice a year, and is made up of the members of the Executive Committee and Quentin GRUTMAN (Coordination Sales and Operations EMEA), Thierry DELBROUCK (Production), Bernard STAS (Product Management), Thierry KEUTGEN (Product Development), Vincent THEUNISSEN (Human Resources), Philippe GILBERT (IS-IT Manager) and Nicolas BOURDON (Marketing).

4.4. Operational management of subsidiaries

The Board delegates the necessary powers to its subsidiaries to ensure their operational functioning. The commercial and support subsidiaries are easy to control because their activities are entirely dependent on EVS Broadcast Equipment S.A., based in Liège (Belgium): delivery of promotional materials, presence at trade fairs, supply of machines or exchange parts, and accounts. Some members of the EVS Board of Directors and, where appropriate, the local managers make up the management bodies of these commercial subsidiaries. The subsidiaries are spread over three geographical regions (America, Europe/Africa/Middle East, Asia/ Pacific). Each region is coordinated by a General Sales & Operations Manager who is a member of the Broadcast Executive Committee. This type of organization enables very efficient provision of information at the group level as well as rapid decision making. The group's commercial policy is coordinated by the parent company, and each region has an operational autonomy which allows creating an optimal contact with the market.

XDC S.A., in which EVS holds 41.3%, is totally autonomous as far as R&D, production, sales and marketing and administration are concerned. Serge PLASCH is the CEO and Managing Director of XDC, with the help of an experienced Executive Committee. With a diluted shareholding of 30.2%, EVS remains the most important shareholder, aside SRIW (20.3%) and GIMV (20.2%). EVS therefore remains strongly involved in the strategic choices, but does not have any significant leverage on the operational management of this subsidiary, whose team and location are now entirely independent from EVS.

5. CONTROL OF THE COMPANY

5.1. Internal control and risk management systems

The management strives to provide the level of risk control that is as adequate as possible. The different risks are identified in the financial section of this annual report. The most important characteristics of internal controls and risk management systems are:

- The assessment, with the auditor, of his audit reports and, if necessary, the request of additional information and clarifications, and the set up of actions;
- The ongoing monitoring of activities, operating results and financial risks of the company (including the financial position of the company, the risks of exchange rate), including within the various subsidiaries of the group;
- Monitoring the price of components and of relationships with suppliers;
- Managing the information systems;
- Monitoring of rules for the prevention of market abuse, compliance with these rules and any violations;
- The monitoring of potential litigation, and possible financial implications thereof;
- Establishing systems for monitoring changes in regulations and laws;
- The process for the preparation of the consolidated accounts is centralized at the group's financial function level. All information necessary for this process come from widely used software in the market. Control procedures are in place to ensure that it is thoroughly mastered.

5.2. External audit

The audit of the statutory and consolidated accounts of EVS Broadcast Equipment S.A. is carried out by BDO (B-00023), represented by Felix FANK (F-01438), Belgian Réviseur d'Entreprise. The mandate of the Auditor has been renewed for three years at the Ordinary General Meeting of May 2010), and will end at the Ordinary General Meeting of May 2013.

In 2011, the compensation received by the Statutory Auditor, BDO (B-00023), represented by Felix FANK and by its associates, amounted to EUR 84,625 in aggregate for its duties as Auditor (EUR 45,343) and also for other duties (EUR 39,282).

6. SHAREHOLDING (AS OF DECEMBER 31, 2011)

The situation as it appears from the last official ownership statements received by the company and the situation of treasury shares as of December 31, 2011 is as follows:

Shareholder	Number of shares	% statutory basic(1)	% statutory diluted(2)	% IFRS basic(3)	% IFRS diluted(4)
Michel Counson	879,906	6.5%	6.3%	6.5%	6.4%
IMG S.A. (Laurent Minguet & famille)	95,280	0.7%	0.7%	0.7%	0.7%
Treasury shares	183,372	1.4%	1.3%		
BNP Paribas Investment Management	578,353	4.2%	4.2%	4.3%	4.2%
Fidelity (FIL Ltd.)	404,500	3.0%	2.9%	3.0%	2.9%
Ameriprise Financials Inc.	417,065	3.1%	3.0%	3.1%	3.0%
Undeclared	11,066,524	81.2%	80.5%	82.3%	81.6%
Total	13,625,000	100.0%			
Total excl. Treasury shares	13,441,628			100.0%	
Outstanding warrants as of Dec. 31	286,550		2.0%		2.1%
Total diluted	13,911,550		100.0%		
Total diluted, excl. treasury shares	13,728,178				100.0%

(1) As % of the number of subscribed shares, including the treasury shares.

(2) As % of the number of subscribed shares, including the outstanding warrants and the treasury shares.

(3) As % of the number of subscribed shares, excluding treasury shares, deducted from the shareholders' equity under IFRS.

(4) As % of the number of subscribed shares, excluding treasury shares and including the outstanding warrants.

IMG (Invest Minguet Gestion) S.A. is the holding company of the MINGUET family. Its object is the management and the financing of companies in which it owns shares. The Managing Director is Laurent MINGUET, one of the founders of EVS who resigned from its executive functions in 2004, and his function as Director in 2011.

The EVS capital is currently represented by 13,625,000 shares. On December 31, 2011, EVS had 183,372 own shares. According to Euroclear and the EVS Shareholders Register, there were 899,133 registered shares of which 855,528 are owned by Michel Counson, 8,090 by EVS, 35,388 by the EVS employees under the profit sharing scheme and the remaining balance by 8 private shareholders. In the EVS accounts at Euroclear, there were 12,725,867 bearer shares, of which 40,430 materialized shares, including with the PRIOS system (Printing On Demand Services). Among these 40,430 shares, 7,225 shares (1,445 shares before split) still have to be converted with Delta Lloyd Bank after the stock split by 5 in 2005. As of December 31, 2011, 99.7% of EVS shares had been dematerialized.

Shareholders must declare their ownership in EVS shares as soon as their shareholding passes over/under the 3% threshold (required by the company Statutes) and any multiple of 5% thresholds (required under Belgian law). The shareholding percentage must be computed on both the basic number of outstanding shares (i.e. 13,625,000 shares at the end of 2011).

7. GENERAL MEETINGS

Each year, EVS holds its Ordinary General Meeting on the third Tuesday of May. In 2011, it was held at company headquarters on May 17. Overall, 42 shareholders were present or represented, representing 2,660,506 shares, or 19.5% of the share capital

of EVS. The 7 resolutions were approved at an average rate of 97.3% votes in favor (unanimity for 4 resolutions, 85% being the minimum rate of approval for one of the resolutions).

For any proposal to amend the articles of associations, the company must invite its shareholders to attend an Extraordinary General Meeting. This assembly can validly cast only if 50% of shares are present or represented. If this is not the case, a second Extraordinary General Meeting shall be convened and will be able to vote, regardless of the percentage of shares present or represented. Decisions will be made to the majorities prescribed by law.

Pour toute proposition de modification des statuts, la société doit inviter ses actionnaires à une Assemblée Générale Extraordinaire. Cette assemblée ne pourra statuer valablement que si 50% des actions sont présentes ou représentées. Si ce n'est pas le cas, une seconde assemblée Générale Extraordinaire sera convoquée et pourra statuer, quel que soit le pourcentage d'actions présentes ou représentées. Les décisions seront prises aux majorités déterminées par la loi.

An Extraordinary General Meeting, duly held in December, allowed EVS to update the Articles of Association with the view to making them consistent with the law of December 20, 2010 regarding the exercise of certain rights of shareholders of listed companies, to issue 350,000 new warrants and to accelerate the dematerialization of its shares. The meeting did not renew the authorizations relating to the share buyback. As a consequence, the buyback of shares in case of a serious and imminent harm will not be authorized any more from July 2012 on, while share buyback outside of this strict context remains authorized until July 2014.

In order to encourage the interactions between the company and its final shareholders, but also in order to better know them (and serve them), EVS requires, according to the article 24 of its articles of association, the proxies for a general meeting to be signed by the final effective beneficial owner. Hence, proxies signed by a custodian or sub-custodian must be accompanied by another proxy, duly signed by the final effective beneficial owner, allowing him to exercise its rights.

In the interest of good corporate governance, this provision is strictly applied and results, at every general meeting, in refusals of invalid proxies, notably from custodians.

8. DIVIDENDS AND PROFIT ALLOCATION POLICY

The Board of Directors examines the results of the previous financial year and proposes at its Ordinary General Meeting that these profits be distributed in the best interest of the company and its shareholders. Bearing in mind the legal restrictions on profit distribution, the Board of Directors can propose a dividend policy that will respect the company's investment and acquisition requirements. In the IPO prospectus of October 1998, EVS announced dividends of around 30% of consolidated net profit from operations. The healthy financial structure has permitted EVS to meet and even to exceed its commitment while maintaining its self-financed organic growth. The pay-out ratio has evolved between 60 and 80% since 2004, and even reached 126% in 2009. The company initiated in 2006 the payment in November of an interim dividend. The historical average payout ratio is 71.8%.

Dividends are payable at the following financial institution:
ING BANK S.A. ("Single ESES Paying Agent Euroclear")
Avenue Marnix 24, 1000 Brussels, Belgium

9. RESPECT OF THE BELGIAN CODE ON CORPORATE GOVERNANCE

EVS has adopted the Belgian Code on Corporate Governance (2009) as reference code. In line with the "comply-or-explain" principle of the code, the Company concluded that the best interests of the Company and its shareholders are served by variance from the Code in a limited number of specific cases. These variances are explained below:

- A Director mandate cannot exceed 4 years (item 4.6 of 2009 Code): this is the case for all Directors, with an exception for the Managing Director, Michel Counson, for whom the mandate is 6 years. The Board believes that this is justified to ensure the sustainability of the company, given its size and its shareholding structure.
- An independent internal audit function is put in place (item 5.2./17 of 2009 Code): the internal audit function is fulfilled by the existing team within the finance department, the annual internal audit done by the statutory auditor and the actions of the audit committee. The Board took this decision in view of the size of EVS, the risks and the existing control systems in the company.
- The Audit Committee gathers four times a year (item 5.2/28 of 2009 Code): in 2011, the Audit Committee gathered two times, for the review of the annual and half year results, each time in presence of the external auditors of the company. The nature of the activity and the associated risks did not require more meetings, and the financial matters are also widely handled during the meetings of the Board.

REMUNERATION REPORT

1. THE DIRECTORS

1.1. Remuneration policy

Non-Executive Directors receive an annual fixed amount, eventually on a pro rata basis. The non-executive Directors receive, as remuneration for the execution of their mandate, a fixed amount for each Board and special committee meeting attended. The fixed amount per meeting is increased for the Chairman (if he is non executive).

The Company and its subsidiaries do not provide any personal loans, guarantees and such to the members of the Board of Directors or the Executive Team. If Directors are charged with special tasks or projects, they are entitled to receive an appropriate remuneration for those activities, which is the case for the executive directors.

The policy and the remuneration of the Directors is approved by the Ordinary General Meeting.

For the two years to come, the remuneration policy will be applied coherently with the policy followed until now. It will eventually take into account the professionalization of the governance of the company.

1.2. Remuneration in 2011

Since the Ordinary General Meeting of May 2010, the remuneration is fixed as follows:

- Remuneration of the mandate as Director for a fixed annual amount of EUR 4,000.
- EUR 750 (resp. EUR 1,000) per attendance to a Board meeting for each non executive Director (resp. the non executive Chairman of the Board)
- EUR 750 (resp. EUR 1,000) per attendance to a committee meeting (audit or Compensation) for each non executive Director (resp. the non executive Chairman of the Board)

No termination compensation is provided for non executive Directors at the end of their mandate.

In 2011, Directors received the following compensation for the execution of their mandate:

		Fixed amount	Variable amount linked to attended meetings		TOTAL 2011
		Board of Directors	Board of Directors	**** Special Committee	
Non executives					
ACCES DIRECT S.A., represented by Pierre RION	Chairman, Independent Director	4,000	12,000	13,500	29,500
Francis BODSON	Director	4,000	7,500	16,500	28,000
Laurent MINGUET *	Director, founder	1,500	750	-	2,250
Jean-Pierre PIRONNET	Director	4,000	7,500	1,500	13,000
Christian RASKIN	Independent Director	4,000	9,000	13,250	26,250
Yves TROUVEROY	Independent Director	2,500	6,000	-	8,500
Executives					
Michel COUNSON	Administrateur délégué, fondateur	4,000	-	-	4,000
Jean DUMBRUCH **	Administrateur exécutif **	4,000	3,000	-	7,000
Jacques GALLOY	Administrateur exécutif	4,000	-	-	4,000
Pierre L'HOEST ***	Administrateur délégué, fondateur ***	2,833	-	-	2,833

* Laurent Minguet did not ask the renewal of his mandate, which ended at the Ordinary General Meeting of May 2011.

** Jean Dumbruch resigned from his executive functions on September 29, 2011, and received variable amounts per meeting after that date.

*** Pierre L'Hoest resigned from his function Managing Director on September 23, 2011. The contract linking Belinvest SA (controlled by Pierre L'Hoest) and EVS was terminated on the same date, according to an agreement signed on December 5, 2011.

**** As part of the reorganization process of the company, initiated in 2009, and more particularly after the resignation of Pierre L'Hoest from his mandate as Managing Director in September 2011, the three members of the Compensation Committee met exceptionally 12 times, in addition of the regular meetings, and Francis Bodson also attended 7 meetings with the management.

As of December 31, 2011 based on the last statements received by the company and the latest modification of the shareholders' register, the members of the Board of Directors held, directly or indirectly, 879,906 shares of a total of 13,625,000, or 6.5% of the capital.

2. THE CEO AND THE MEMBERS OF THE EXECUTIVE MANAGEMENT

2.1. Remuneration policy

2.1.1. Fixed and variable remuneration

The remuneration policy aims to attract, maintain and motivate competent and professional employees. For this reason, the amount of the remuneration is determined as a function of the individual tasks and responsibilities. The Compensation Committee assesses annually the total remuneration.

The contribution made by the members of the executive management to the development of the activities and the results of the Group are an important part of the remuneration policy.

In order to align the interests of the members of the executive management with the interests of the Company and its shareholders, a part of the remuneration is linked to the results of the Company and another part to individual performance. The results of the Company are based on sales and operational result of the past financial year, but also on quantitative and qualitative individual criteria. These criteria, as proposed by the Compensation Committee, are evaluated by the Board of Directors annually and adapted when necessary.

The individual performance is based on a clearly defined evaluation system based on the achievement of specific measurable objectives, the realization of important key figures and the respect for core values which are important to the Company. All goals should be in line with the group strategy, the key values and the guidelines. The individual goals are determined annually during individual appraisals at the beginning of the financial year. There is no provision of Formal right of recovery of the variable compensation awarded on the basis of erroneous financial information, for the benefit of the company.

The potential contributions for pensions and insurances are linked to the fixed remuneration.

For the CEO and the other members of the Executive team, it will be proposed at the Annual General Meeting of 2012 to deviate from above mentioned stipulation of article 520ter paragraph 2 of the Belgian Code of Companies and not spread the payment of the variable remuneration over time, but to fix this one based on growth in new profitable niches and on the development of the operational margin.

The members of the executive management also have a company car at their disposal and some of them are covered by a group insurance plan.

As remuneration for his services, the CEO receives:

- a fixed remuneration,
- eventually a variable remuneration or bonus according to the criteria mentioned above, and,
- certain fringe benefits and warrants.

For the two years to come, the remuneration policy will be applied coherently with the policy followed until now. It will eventually take into account the professionalization of the governance of the company.

2.1.2. Other elements of the remuneration

The warrants and options are offered free and are not linked to the performances of the Company, but to the level of responsibility and the added value of the people. Very rarely, warrants or options are granted, on an individual basis, for exceptional reasons exposed to the Board of Directors, who approves them.

They can only be exercised from the third calendar year following the offering of these options or warrants. The warrants are granted according to the provisions identified in the law of 26 March 1999 concerning the Belgian action plan for job opportunities 1998. The exercise of warrants could result in the subscription of new shares in the event of a capital increase unless the Board of Directors decides to distribute shares that were purchased by the Company.

In 2011, no option or warrant has been granted to the members of the executive management.

Severance pay

In the case that severance pay amounts to more than 12 months of the fixed and variable remuneration (or more than 18 months based on a motivated decision by the Compensation Committee), the allotment of this remuneration will be presented for approval to the General Meeting. The severance pay of Gallocam SPRL, represented by Jacques Galloy, is equal to 18 months and is motivated by the Compensation Committee. For the other members of the executive management, no special severance pay conditions have been agreed. In the case of any potential severance, the remuneration will be determined based on applicable current employment laws and practice.

2.2. Rémunérations perçues en 2011

2.2.1. CEO

Pierre L'Hoest, founder and CEO of EVS since 1994, resigned from his functions as Managing Director on September 23, 2011, and the management agreement between Belinvest SA (controlled by P. L'Hoest) and EVS has been terminated on the same date, according to an agreement signed on December 5, 2011. For the period January 1 to September 23, 2011, Belinvest SA received fees of EUR 155,600, and no variable compensation. In 2011, he did not receive or exercise any option/warrant. Other benefits amounted to EUR 14,207 in 2011. In addition, the agreement negotiated between EVS and Belinvest amounted to EUR 250,000, or 15 months of salary. According to this agreement, EVS secured its intellectual property. Pierre L'Hoest, in his duty as Director, received EUR 2,833 for Board meetings attendances. He keeps 8,000 warrants on EVS shares granted in 2010 at an exercise price of EUR 34.52, and exercisable as from February 2014.

Following his departure, the Board of Directors of EVS initiated a process for recruiting a new CEO. On December 31, 2011, that process was ongoing.

2.2.2. Other members of the executive management

The other members of the executive management are Michel Counson, Managing Director and CTO Hardwar, Jean Dumbruch, in charge of administration until September 29, 2011, Gallocam SPRL, represented by Jacques Galloy, CFO, and Luc Doneux, Head of APAC, EMEA and Events (who joined the Executive Committee at the end of September). They received, in 2011, a pro rata fixed global compensation of EUR 441,507 (including EUR 15,000 as Directors' fees, as explained earlier), a global variable compensation of EUR 220,750 (paid in cash based on targets, without any "multi-year" payment), a contribution for pension of EUR 20,291 (see more details on the plan in note 6.4), a severance pay of EUR 114,393 and other benefits (including company car, expatriation expense, telephony) for EUR 26,038.

Jean Dumbruch resigned on September 29, 2011 from his operational functions (buildings, insurance, certain legal matters) but keeps his mandate as Director. He received a severance pay mentioned here above and defined according to an agreement signed on October 26, 2011. He keeps the benefits of 3,000 warrants on EVS share, granted in 2010 at an exercise price of EUR 34.52, and exercisable as from February 2014.

Stock options are awarded to members of the executive management after the Board of Directors' approval upon the recommendation of the Compensation Committee. No option or warrant has been granted to members of the executive management in 2011, and the number of warrants exercised in 2011 amounts to 3,000 (at an exercise price of EUR 37.325), following a grant in 2006 to Gallocam SPRL, represented by Jacques Galloy. The number of remaining warrants for the other members of the executive management amounts to 34,000. They were granted in 2006 and 2010 at an average exercise price of EUR 39.49, and they are partially exercisable from February 2012 on.

3. CONFLICT OF INTEREST PROCEDURES

During the year under review, there was no conflict of interest according to the specific procedure provided for under Article 523 of Company Law.

RISKS AND UNCERTAINTIES

Investing in the stock of EVS Broadcast Equipment (“EVS”) involves risks. As requested by the EU Regulations and the Belgian law (Company Code and Royal Decree of 14 November 2007), you and any investor should carefully consider the following risk factors and all other information contained in this annual report before purchasing our common stock. If any of the following risks occurs, our business, financial condition or results of operations could be seriously harmed. In that case, the trading price of our common stock could decline, and you may lose some or all of your investment.

- We may not be able to continue to maintain or increase our profitability and our recent growth rates may not be indicative of our future growth.
- Our quarterly operating results have fluctuated in the past and may continue to fluctuate in the future, which could cause our stock price to decline.
- We face competition and if we are unable to compete effectively, we may experience decreased sales or pricing pressure, which would negatively impact our future operating results.
- We have significant international operations and derive most of our revenues from international customers, which exposes us to significant risks, including risks relating to currency fluctuations.
- We derive a substantial majority of our revenues from customers in the broadcast industry that use our products for both production and transmission of television content. If we fail to generate continued revenues from this market or if there is a downturn in this market, our revenues could decline.
- Our future financial performance depends on growth in the markets for video servers and digital tapeless solutions. If these markets do not continue to grow at the rate that we forecast, our operating results would be materially and adversely impacted.
- We depend on sales of our XT and XS video server products. If market demand for these products does not continue, our future operating results could be harmed.
- Our sales cycle can be lengthy and unpredictable, which may make it difficult to predict sales in any particular quarter.
- Our business may be harmed if our contract manufacturers are not able to provide us with adequate supplies of our products.
- If we experience delays, shortages or quality issues from our component suppliers, our product sales could suffer.
- The average selling price of our products may decrease, which could negatively impact our operating results.
- Our end users require a high degree of product reliability. If we are unable to provide high quality products, our relationships with end users could be harmed.
- If we fail to develop and introduce new products or enhancements to existing products in a timely manner, or if we fail to manage product transitions, we could experience decreased revenues in the future.
- If we fail to respond to technological changes and evolving industry standards, our products could become obsolete or less competitive in the future.
- If our products do not interoperate with other systems, installations could be delayed or cancelled.
- Our products are highly complex and may contain undetected software or hardware errors, which could harm our reputation and future product sales.
- Our future success depends on our ability to attract and retain key personnel, and our failure to do so could harm our ability to grow our business.
- If we fail to manage our growth effectively, our business could be harmed.
- Our use of open source software and other third-party technology and intellectual property could impose limitations on our ability to market our products.
- Failure to protect our intellectual property could substantially harm our business.
- If a third party asserts that we are infringing its intellectual property, whether successful or not, it could subject us to costly and time-consuming litigation or expensive licenses, which could harm our business.
- We are subject to governmental export controls that could subject us to liability or adversely affect our ability to sell our products in international markets.
- We are subject to environmental and other health and safety regulations that may increase our costs of operations or limit our activities.
- We may expand through acquisitions of, or investments in, other companies, each of which may divert our management's attention, result in additional dilution to stockholders or use resources that are necessary to operate other parts of our business.
- The issuance of new accounting standards or future interpretations of existing accounting standards could adversely affect our operating results.
- Maintaining and improving our financial controls and the requirements of being a public company may strain our resources and, divert management's attention or affect our ability to attract and retain qualified board members.
- We or one of our affiliate might require additional capital to support business operations, and this capital might not be available on acceptable terms, or at all.

The Board of Directors

Liège, March 27, 2012

CERTIFICATION OF RESPONSIBLE PERSONS

Michel Counson, General Manager and CTO
and Jacques Galloy, Director and CFO

certify that, based on their knowledge,

- a) the annual financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, fairly present in all material respects the financial condition and results of operations of the issuer and the companies included in the consolidation;
- b) the Directors' report fairly presents the evolution of the business, the results and the situation of the issuer and the companies included in the consolidation, as well as a description of the main risks and uncertainties.

IFRS CONSOLIDATED STATEMENTS

IFRS CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Note	2011 audited	2010 audited
Revenue	3	106,898	111,155
Costs of sales		-23,080	-22,631
Gross margin		83,818	88,524
Gross margin %		78.4%	79.6%
Selling and administrative expenses		-19,585	-15,100
Research and development expenses	13	-18,494	-16,206
Other revenue		543	207
Other expenses		-373	-465
Stock based compensation and ESOP plan	6.4	-958	-617
Amortization and impairment on goodwill, acquired technology and IP	11	-855	-550
Depreciation on Tax Shelter rights assets	11	-	-270
Operating profit (EBIT)		44,096	55,524
Operating margin - (EBIT) %		41.3%	50.0%
Net interest	6.2	28	120
Other net financial incomes/(charges)	6.2	-142	-718
Share in the result of the enterprise accounted for using the equity method	5	2,369	-155
Profit before taxes (PBT)		46,350	54,770
Income taxes	7	-14,282	-16,712
Net profit from continuing operations		32,068	38,058
Net profit		32,068	38,058
Attributable to:			
Minority interests		-	-
Equity holders of the parent company		32,068	38,058
Net profit from operations, excl. XDC – share of the group ⁽¹⁾	6.3	31,663	39,705
		2011	2010
RESULT PER SHARE (in number of shares and in EUR)	8	audited	audited
Weighted average number of subscribed shares for the period less treasury shares		13,465,244	13,511,048
Weighted average fully diluted number of shares		13,755,205	13,742,409
Basic earnings – share of the group		2.38	2.82
Fully diluted earnings – share of the group		2.33	2.77
Basic net profit from operations, excl. XDC – share of the group		2.35	2.94

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	Note	2011 audited	2010 audited
Net profit		32,068	38,058
Other comprehensive income of the period			
Currency translation differences		79	250
Other increase (+)/decrease (-)		-619	-45
Total comprehensive income of the period		31,528	38,263
Attributable to:			
Minority interests		-	-
Equity holders of the parent company		31,528	38,263

⁽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. Please also refer to note 6.3 on use of non-GAAP financial measures.

IFRS CONSOLIDATED BALANCE SHEET

ASSETS (EUR thousands)	Note	Dec. 31, 2011 audited	Dec. 31, 2010 audited
Non-current assets:			
Goodwill	10	610	820
Acquired technology and IP	11	1,059	1,704
Other intangible assets	11	328	197
Lands and buildings	12	11,899	11,169
Other tangible assets	12	2,056	1,821
Investment accounted for using equity method	5	7,784	6,071
Subordinated loans	14.1	830	830
Other financial assets	14.2	338	391
Deferred tax assets	7.3	0	6
Total non-current assets		24,903	23,010
Current assets:			
Inventories	15	14,657	12,420
Trades receivables	16	23,994	18,383
Other amounts receivable, deferred charges and accrued income		2,983	1,938
Cash and cash equivalents	17	19,932	27,946
Total current assets		61,565	60,688
Total assets		86,468	83,697
EQUITY AND LIABILITIES (EUR thousands)			
	Note	31 Dec. 2011 audited	31 Dec. 2010 audited
Equity :			
Capital	18.1	8,342	8,342
Reserves	18.6	69,704	73,298
Interim dividends	9, 18.6	-15,592	-15,638
Treasury shares	18.6	-6,915	-5,253
Total consolidated reserves		47,197	52,407
Translation differences	18.7	127	49
Equity attributable to equity holders of the parent company		55,666	60,799
Minority interests		8	6
Total equity		55,674	60,806
Long term provisions	20	1,050	1,056
Deferred taxes liabilities	7.3	1,083	1,109
Financial long term debts	19	875	1,174
Government recoverable loans		0	546
Non-current liabilities		3,008	3,885
Short term portion of long term financial debts	19	291	295
Trade payables	21	5,499	3,331
Amounts payable regarding remuneration and social security		7,501	6,290
Income tax payable		6,139	4,978
Other amounts payable, advances received accrued charges and deferred income	21	8,357	4,112
Current liabilities		27,787	19,007
Total equity and liabilities		86,468	83,697

IFRS CONSOLIDATED CASH FLOW STATEMENT

(EUR thousands)	2011 Audited	2010 Audited
Cash flows from operating activities		
Operating profit (EBIT)	44,096	55,524
Adjustment for non cash items :		
- Depreciation and write-offs on fixed assets	3,367	3,079
- Foreign exchange result	-16	-673
- Stock based compensation and ESOP	958	617
- Provisions and deferred taxes increase (+)/decrease (-)	-38	-211
	48,367	58,336
Increase (+)/decrease (-)		
- Amounts receivable	-6,139	-3,843
- Accruals	373	-2,784
- Trade debts and prepayments	3,138	-1,192
- Taxes, remuneration and social security debts	2,372	6,005
- Other amounts payable	1,725	295
- Inventories	-2,237	-3,881
<i>Cash generated from operations</i>	<i>47,599</i>	<i>52,936</i>
Interest received	295	362
Income taxes	-14,282	-16,712
Net cash from operating activities	33,612	36,586
Cash flows from financing activities		
Acquisition of OpenCube, net cash acquired	-	-741
Purchase (-)/disposal (+) of intangible assets	-516	-42
Purchase (-)/disposal (+) of property, plant and equipment	-3,092	-1,888
Purchase (-)/disposal (+) of other financial assets	78	-5
Net cash used in investing activities	-3,530	-2,676
Cash flows from financing activities		
Operations with treasury shares	-1,662	-3,417
Other net equity variations	-345	319
Interest paid	-267	-242
Movements on long-term borrowings	-304	-339
Interim dividend paid	-15,592	-15,557
Final dividend paid	-19,927	-20,039
Net cash used in financing activities	-38,097	-39,275
Net increase (+)/decrease (-) in cash and cash equivalents	-8,015	-5,365
Cash and cash equivalents at beginning of period	27,946	33,311
Cash and cash equivalents at end of period	19,932	27,946

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 interests	Total equity
Balance as per December 31, 2009	8,342	54,544	-2,861	-200	59,823	6	59,829
Total comprehensive income for the period		38,013		250	38,263		38,263
Increase (decrease) of equity resulting from company regrouping		420			420		420
Share-based payment		379			379		379
Operations with treasury shares			-2,392		-2,392		-2,392
Final dividend		-20,057			-20,057		-20,057
Interim dividend		-15,638			-15,638		-15,638
Balance as per December 31, 2010	8,342	57,660	-5,253	49	60,799	6	60,806

(EUR thousands)	Issued capital	Other reserves	Treasury shares	Currency translation differences	Equity attributable to shareholders of the parent company	Minority interests	Total equity
Balance as per December 31, 2010	8,342	57,660	-5,253	49	60,799	6	60,806
Total comprehensive income for the period		31,449		78	31,527	2	31,529
Share-based payment		521			521		521
Operations with treasury shares			-1,662		-1,662		-1,662
Final dividend		-19,927			-19,927		-19,927
Interim dividend		-15,592			-15,592		-15,592
Balance as per December 31, 2011	8,342	54,112	-6,915	127	55,666	8	55,674

NOTES TO THE IFRS CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION ABOUT THE COMPANY

1.1. Identification

EVS Broadcast Equipment S.A.
Liege Science Park
Rue Bois Saint-Jean, 16
B-4102 Ougrée (Liège)
VAT: BE 0452.080.178
National Registered Number: BE0452.080.178
www.evs-global.com

EVS Broadcast Equipment S.A. was incorporated for an unlimited period on February 17, 1994 in the form of a public limited company governed by Belgian law. EVS Broadcast Equipment S.A. is a company whose shares are publicly traded. It has its head office in Belgium.

The consolidated financial statements of EVS Broadcast Equipment S.A. as at December 31, 2010 were established by the Board of Directors of March 27, 2012. The Board of Directors is authorized to amend the consolidated financial statements up until the Annual General Meeting of Shareholders, scheduled to be held on May 15, 2012.

The financial year starts on January 1 and ends on December 31 of each year. The consolidated financial statements are reported in euros (EUR).

1.2. Public information

The company's financial statements are filed with the "Banque Nationale de Belgique". Statutes and special reports required by the "Code des Sociétés" can be obtained from the Commercial Court Registry in Liège and from the Belgian Official Bulletin "Moniteur Belge" and its related website ("<http://www.ejustice.just.fgov.be/tsv/tsvf.htm>"). These documents, as well as annual statements and any written information to shareholders, are also available at the company's registered office. Financial information is available on the Internet at www.evs-global.com.

1.3. Object of the company

The object of the company is the "development, marketing and exploitation of audiovisual equipment as well as, more generally, any operations of a general, commercial, industrial, financial, fixed or movable property nature, in Belgium or elsewhere, directly or indirectly relating to the processing of pictures and sound, in whatever possible form. The company may have interests in any manner in any kind of businesses, firms or companies with identical, analogous, similar or connected aims or which could further the development of its activities, supply it with raw materials or facilitate outlets for the company's services".

2. SUMMARY OF THE IFRS SIGNIFICANT ACCOUNTING PRINCIPLES

2.1. Basis of presentation of the financial statements

The consolidated accounts of the group have been prepared on an historical cost basis, except for the share based payments and derivative financial instruments, which are measured at their fair value. The consolidated accounts are presented in Euros (EUR) and all the values are rounded figures to the nearest thousand unless otherwise indicated.

2.2. Statement of compliance

The consolidated accounts of EVS Broadcast Equipment S.A. and of its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

2.3. Provision adopted during the transition to IFRS in 2005

The company used the possibility offered by IFRS 1 which consists of:

- not applying IFRS 2 for transactions settled in equity instruments allocated before 7 November 2002 and not tested before this transition date;
- not applying IFRS 3 to business combinations that occurred before the transition date.

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued but are not yet effective as per December 31, 2011.

None of the other new standards, interpretations and amendments, which are effective for periods beginning after 1 January 2011 and which have not been adopted early, are expected to have a material effect on the Group's future financial statements.

2.4. Summary of changes in accounting policies

The accounting rules and methods used are similar to those used during the previous fiscal year.

2.5. Consolidation principles

The consolidated financial statements include the financial statements of EVS Broadcast Equipment S.A. and of its subsidiaries prepared as at December 31 of each year. The financial statements of the subsidiaries are prepared on the same date and in accordance with identical accounting principles. All the intra-group balances, intra-group transactions as well as the income, the expenses and the latent results included in the carrying amount of assets, generated by internal transactions, are eliminated in full.

2.6. Subsidiaries

The subsidiaries are companies in which EVS, either directly or indirectly, holds over 50% of the voting rights or in which it holds the power, either directly or indirectly, to control the financial and operational policy, with the aim of obtaining benefits from its activities.

The subsidiaries are consolidated as from the acquisition date, which corresponds to the date on which the group took over control and up until such date as the exercise of this control ceases.

All companies over which control is exercised directly or indirectly are fully consolidated.

When a change occurs in the controlling power within a subsidiary, the consolidated accounts integrate the profit and loss up to the date which EVS Broadcast Equipment S.A. loses the control.

2.7. Interests in joint ventures and in associates

Joint ventures (in accordance with the alternative processing of IAS 31) as well as associates are recognized according to the equity accounting method.

These investments are carried in the balance sheet at the lowest value between that obtained by the equity method and the recoverable value. The group's share in the profit and loss of the joint ventures and of the associates is entered into the profit and loss account.

The financial statements of the joint ventures and of the associates are used by the group in order to apply the equity accounting method.

The financial statements of the joint ventures and of the associates are prepared on the same reporting date as the parent company, on the basis of similar accounting principles.

2.8. Summary of significant decisions and estimates

2.8.1. Decisions

To prepare financial statements in accordance with the group's accounting methods, management has made assumptions, in addition to those that call for recourse to estimates, some of which have a significant effect on the amounts recognized in the financial statements:

Research and Development costs: the group has considered that it cannot make a clear distinction between the research phase and the development phase of a project developed internally. The group has also considered that the costs incurred consisted of a routine process that does not generate any major innovation but scalable technologies. Moreover, the group sells products in a market that is subject to rapid technological change, new product development and changing customer needs. Accordingly, the group has concluded that it cannot determine technological feasibility until the development stage of the product is nearly complete. For these reasons, R&D is not capitalized but expensed.

2.8.2. Recourse to estimates

In order to prepare the financial statements in accordance with the IFRS standards, it is up to management to establish a certain number of estimates and assumptions in order to determine the amounts reported in the financial statements and their notes. The estimates carried out on each reporting date reflect the conditions in force on these dates (for example: market price, interest rates and exchange rates).

Although these estimates are based on the best knowledge of management of the existing events and of the actions that the group could undertake, the real results may differ from these estimates.

2.9. Foreign currency translation

Each entity of the group determines its own functional currency and the elements included in the financial statements of each of the entities are measured by using this functional currency.

The functional currency of EVS Broadcast Equipment S.A. as well as all of the subsidiaries is the euro, except for the EVS Inc. subsidiary, whose functional currency is the US dollar.

The presentation currency of the financial statements of EVS Broadcast Equipment S.A. is the euro.

2.9.1. Financial statements of foreign companies

For all the subsidiaries, except for EVS Inc., transactions in foreign currencies are initially recorded in the functional currency at the exchange rate in force on the transaction date. On the reporting date, the monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate in force on the reporting date. The non monetary items in foreign currency that are measured at the historical cost are converted at the exchange rates in force on the initial transaction dates. All the exchange differences are recognized in consolidated income statement.

For the EVS Inc. subsidiary that operates in USD, on the reporting date, the assets and liabilities are converted into the functional currency of the group (EUR) at the exchange rate in force on the reporting date, their equity is converted at historical exchange rate and their income statement is converted at the average exchange rate of the period. Any exchange differences resulting from this conversion are recognized directly under a different heading of the shareholders' equity.

2.9.2. Transactions in foreign currencies

The transactions in foreign currencies are recognized at the exchange rate in force on the transaction date. The monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in force on the reporting date. The exchange gains or losses resulting from monetary transactions and the conversion of monetary assets or liabilities are recognized in the income statement.

The non monetary assets and liabilities are converted at the exchange rate of the foreign currency in force on the transaction date.

2.10. Intangible assets

Intangible assets acquired other than goodwill are recognized at cost.

Intangible assets with a finite useful life are depreciated on a straight-line basis over the duration of their economic utility (3 years for software, between 3 and 5 years for the other intangible assets) and reviewed for impairment testing each time there is a sign of impairment in the intangible asset.

The depreciation duration and method are reviewed every year. The carrying amounts of the intangible assets are reviewed for impairment when events or changes indicate that the carrying amount may not be recoverable.

2.11. Goodwill

Goodwill is the difference between the cost of an acquisition and the share of the acquirer's interest in 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.

If the share held by the company in the net fair value of the identifiable assets, liabilities and eventual debts of the acquired company exceeds the cost of the combination, the surplus is immediately recognized in the profit and loss account.

2.12. Tangible assets

Land and buildings held for use in the production or supply of goods or services, or for sale and administration purposes, are stated in the balance sheet at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation, less any accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred to accumulated profits.

The other tangible assets are recognized in the balance sheet at cost price, less accumulated depreciations and impairment losses.

The depreciation is calculated on straight-line basis over the estimated useful life of the asset. The useful life is examined on an annual basis.

The estimated useful lives of the tangible assets are as follows:

- Buildings: between 10 and 30 years
- Vehicles: between 3 and 5 years
- IT equipment: between 3 and 4 years
- Office furniture and equipment: between 3 and 10 years
- Plant and equipment: between 3 and 10 years
- Other tangible assets: between 3 and 4 years

The depreciation is calculated from such time as the asset is available for use. The carrying amounts of the tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If anything points to such a situation, and if the carrying amounts exceed the estimated recoverable value, the assets or the cash generating units are depreciated to be brought back to their recoverable value. Impairment losses are recognized in the profit and loss account.

A tangible asset is no longer recognized in the accounts from such time as it is sold or no future economic benefit is expected from the asset. Any gain or loss generated at the time of the sale (calculated as the difference between the sale price and the net carrying amount of the element) is recognized in the course of the period during which it was sold.

2.13. Stocks

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing stocks to the right place in the appropriate conditions are recognized as follows for both the current and previous year:

- the cost of the raw materials is determined using the weighted average price method;
- the cost of the finished goods and work-in-progress is the full cost, which covers all the direct costs (materials and labor) and a portion of the indirect production costs necessary to take the stock to completion on the reporting date, excluding the borrowing costs.

The net realizable value is the estimated sale price at the normal rate of the activity, less the estimated costs for the completion of the goods and the estimated costs necessary to realize the sale.

2.14. Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

2.15. Trade and other receivables

Receivables are stated in the balance sheet at original invoice amount less an allowance for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

2.16. Other current and non-current assets

The other current and non-current assets are recognized at the depreciated cost.

2.17. Cash and cash equivalents

The cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity of less than three months. All the investments are recognized at their nominal value in the financial statements.

In accordance with the opinion of the Belgian Accounting Standards Commission (CNC / CBN) released in June 2010 on the accounting treatment of the "Tax Shelter" from the investor standpoint, and since the acquired movie rights meet the definition of financial assets under IAS 32, EVS has decided to record, from the year 2010 on, the movie rights relating to "Tax Shelter" in current assets, in the cash equivalents.

2.18. Treasury shares

Sums paid or received during the acquisition or sale of the company's treasury shares are recognized directly in the equity. No profit or expense is included in the income statement during the purchase, sale, issuance or cancellation of treasury shares. The treasury shares are classified under the "treasury shares" heading and are deducted from the total shareholders' equity.

2.19. Non controlling interests

Non controlling interests represent the share of the net profit and loss from the operations and the net assets of a subsidiary that are allocated to interests not held by the group, whether directly or indirectly via subsidiaries.

2.20. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the amount received, less the transaction costs to be allocated directly if they are significant. After the initial recognition, interest-bearing loans and borrowings are measured at the depreciated cost, using the effective interest rate method. The profits and losses are recognized in the results when the liabilities are derecognized and via the depreciation process.

2.21. Provisions

Provisions are recognized when the group has a present obligation (legal or implicit) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation value. When the group is expecting the repayment of the provision, the repayment is recognized as a different asset but only if this repayment is almost certain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.22. Pensions and other post-employment benefits

The post-employment benefits include pensions.

The group operates one defined contribution pension scheme. The minimum legal contribution is warranted by the insurance company. The contributions to this defined contribution pension scheme are recognized as an expense in the income statement at the time when they are made.

No other post-employment benefit is provided to the personnel.

2.23. Share-based payment

The group's employees and management may receive a remuneration in the form of a share-based payment, such as a non transferable stock option plan (warrants), which allows them to acquire or receive group shares (equity-settled transactions), or such as payments determined on the value of the share (cash-settled transactions).

2.23.1. Equity-settled transactions

The cost of the stock option plans (warrants) is determined by reference to the fair value of the equity instruments granted, measured on the grant date. The fair value is determined using the Black & Scholes model, taking into account the characteristics and conditions governing the granting of the instruments.

The cost of equity-settled transactions is recognized as an expense and is offset by a corresponding increase in shareholder's equity over a period that ends on the date on which the beneficiary becomes creditor of the bonus.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of "fully diluted" earnings per share.

The group has taken advantage of the transitional provisions of IFRS 2 in respect of equity-settled awards and has applied IFRS 2 only to equity-settled awards granted after 7 November 2002.

2.23.2. Cash-settled transactions

The cost of cash-settled transactions with employees is initially measured by reference to the fair value at the date at which they are granted, and subsequently revalued at the fair value at each closing date.

The cost of cash-settled transactions is recognized, together with a corresponding increase in debt, over the year in which the performance conditions are fulfilled, ending on the average date on which the relevant employees become fully entitled to the award ("Vesting date").

2.24. Revenue recognition from ordinary activities

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

As far as the sale of goods is concerned, revenues are recognized as soon as the company has transferred the significant risks and benefits inherent to the ownership of the goods to the buyer. Sales are recognized when there is clear evidence of an agreement, when the delivery has taken place, when the remuneration is determined and determinable and when it is probable that the payment will be received.

As regards the services provided, revenues are also recognized in line with the work in progress.

Revenues from public subsidies are recognized as an income at the rate of depreciation of the goods for which they have been obtained.

Interest revenue is recognized as interest accrues.

The dividends that are received from subsidiaries are recognized when the group has a right to receive that payment.

2.25. Leases (EVS as lessor)

The existence of a lease within an agreement is reported on basis of the substance of the agreement.

2.25.1. Finance leases

When assets are leased out under a finance lease, the present value of the future lease payments is recognized as an earned product (within trade receivables). The difference between the gross total receivable (lease and financing) and the value of the receivable is recognized as unearned finance income.

2.25.2. Operating leases

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income is recognized over the term of the lease on a straight-line basis.

2.26. Government grants

2.26.1. Recoverable loans by the Walloon Region

The group receives interest free Recoverable Loans from the Walloon Region as a financial grant within the framework of applied research into various projects and whose terms and conditions of repayment depend on the commercial success of the financed projects.

If it is likely that the Recoverable Loans of the Walloon Region will be repaid in view of the growing probability of commercialization of the financed projects, they will be, in this respect, considered as long term liabilities.

2.26.2. European Union grants

Subsidies from the European Union are recognized at their fair value where there is reasonable assurance that they will be received and that all the conditions will be satisfied.

When the grant relates to an expense item, it is recognized as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is deducted from the carrying value of the related assets.

2.26.3. Investment grants

Investment grants are recognized when there is reasonable assurance that they will be received and that all the conditions attached will be satisfied.

Investment grants are recognized after deduction from the assets concerned and they are automatically deducted in the income statement from the depreciations of these assets.

2.27. Leases (EVS as lessee)

The existence of a lease within an agreement is reported on basis of the substance of the agreement.

2.27.1. Finance leases

Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant reimbursement on the remaining balance of the liability. Finance charges are directly recognized in the income statement.

2.27.2. Operating leases

Leases where the lesser retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

2.28. Research and development costs

As the group is unable to make a distinction between the research phase and the development phase of an internal project, all the costs are consequently considered to have been incurred only during the research phase. The group also considers that the costs incurred after the commercial launch consist of a routine process that does not generate a major innovation but evolving technologies.

Generally speaking, we should note that the period between the end of the research phase of a project and its commercial launch is less than one year.

Consequently, the research and development costs are recognized as expenses when incurred.

2.29. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets are part of the cost of the asset. Other borrowing costs are recognized in the income statement for the year in which they occurred.

2.30. Income taxes

Income taxes for the period include both current and deferred taxes. They are recognized in the income statement except where relate to items recognized directly in equity, in which case, they are also directly recognized in the equity.

2.30.1. Current taxes

Taxes due for the period are calculated on the income statement of the group's companies and are calculated according to the rules laid down by the local tax authorities.

2.30.2. Deferred taxes

Deferred taxes are recognized using the variable carry-forward method, for all temporary differences on the reporting date between the tax base of the assets and liabilities and their carrying amount on the balance sheet.

Deferred tax liabilities are recognized for all temporary differences:

- except when the deferred tax liability arises from the initial recognition of a goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and that, on the transaction date, does not affect either the accounting profit or the taxable profit or loss; and
- for the taxable temporary differences linked to interest in subsidiaries, in associates and in joint ventures, except if the date on which the temporary difference is inversed can be checked and it is probable that the temporary difference will not be inversed in the foreseeable future .Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the tax assets and liabilities due and if these deferred taxes concern the same taxable entity and the same tax authority.

2.31. Derivative financial instruments

EVS uses derivative financial instruments such as forward exchange rate contracts to hedge its risks with foreign currency fluctuations on its foreign currency transactions. Such derivative financial instruments are stated at fair value as these contracts are not deemed to be hedging contracts within the meaning of the IFRS.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

2.32. Dividends

The dividends proposed by the Board of Directors are not recognized in the financial statements as long as they have not been approved by the shareholders during the Ordinary Annual General Meeting. In case of interim dividends, they are deducted from the reserves.

2.33. Commitments relating to technical guarantee in respect of sales or services already provided

EVS grants a 2-year technical guarantee on products sold subject to the general conditions of sale. These guarantees are only recognized when they are precisely quantifiable.

2.34. Earnings per share

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. 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.

3. SEGMENT INFORMATION

3.1. General information

The company already applies IFRS 8 ("Operating segments") since the fiscal year ended on December 31, 2007.

From an operational point of view, the company is vertically integrated with the majority of its staff in the headquarters in Belgium, including the R&D, production, marketing and administration departments. This explains why the majority of the investments and costs are located at the level of the Belgian parent company. The foreign subsidiaries are primarily sales and representative offices. Sales relate to products of the same nature and are realized by commercial polyvalent teams.

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

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

3.2. Additional information

3.2.1. Geographical information

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

3.2.1.1. Revenue

(EUR thousands)	APAC	EMEA	NALA	TOTAL
2011 revenue	23,516	57,841	25,541	106,898
Evolution versus 2010 (%)	+11.3%	-5.1%	-12.1%	-3.8%
Segment revenue at constant exchange rate	23,516	57,841	26,800	108,157
Variation versus 2010 (%) at constant exchange rate	+11.3%	-5.1%	-7.8%	-2.7%
Variation versus 2010 (%) at constant exchange rate and excluding big event rentals	+26.8%	+3.1%	-1.5%	+6.3%
2010 revenue	21,132	60,957	29,066	111,155

Sales from external clients in Belgium (the country of origin of the company) represent less than 10% of the total annual sales. In 2010, the group realized significant sales to external clients (according to the definition of IFRS 8) in two countries: the US (EUR 18.3 million in the last 12 months, included in NALA in the above table) and the UK (EUR 10.8 million, included in EMEA).

3.2.1.2. Long-term assets

Considering the explanations given in 3.1, all major long term assets are located in the parent company EVS Broadcast Equipment S.A. in Belgium.

3.2.2. 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. Rental contracts relating to the major sporting events in 2010 were spread quasi equally between the two destinations.

(EUR thousands)	Outside broadcast vans	TV production studios	TOTAL
2011 revenue	58,553	48,345	106,898
Evolution compared to 2010 (%)	+5.2%	-12.9%	-3.8%
2010 revenue	55,670	55,485	111,155

3.2.3. Information on important clients

No external client of the company represents more than 10% of the 2011 sales.

4. LIST OF CONSOLIDATED COMPANIES, JOINT VENTURES, ASSOCIATES AND REPRESENTATIVE OFFICES

NAME AND ADDRESS	Year of foundation or acquisition	Staff as of 31.12.11	Incorporation method used ⁽¹⁾	Part of capital held as of 31.12.10 (in %) ⁽²⁾	Part of capital held as of 31.12.11 (in %) ⁽²⁾	Change in % of capital held
EVS Broadcast Equipment Inc. 9 Law Drive, suite 200, NJ 070046 Fairfield, USA	1997	26	F	100.00	100.00	0.00
EVS Canada 240-1200 Avenue Papineau, Montreal QC H2K 4R5, CANADA	2008	2	F	100.00	100.00	0.00
EVS Broadcast México, S.A. de C.V. World Trade Center, Cd. De México, Montecito N° 38, Piso 23, Oficina 38, Col. Nápoles, Delegación Benito Juárez, D.F. 03810 México MEXICO RFC: EBM 1106152TA	2011	1	G	0,00	100,00	100,00
EVS France S.A. Avenue André Morizet 6bis, F-92100 Boulogne-Billancourt, FRANCE VAT: FR-21419961503	1998	6	F	99.76	100.00	0.24
EVS France Développement S.A.R.L. 48 Quai Carnot, F-92210 Saint Cloud, FRANCE VAT: FR-53514021476	2009	6	F	100.00	100.00	0.00
OpenCube Technologies S.A.S. 6, rue Brindejonc des Moulinais, Bât. A, F-31500 Toulouse Cedex 5, FRANCE VAT: FR-83449601749	2010	21	F	100.00	100.00	0.00
EVS Italia S.R.L. Via Milano 2, IT-25126 Brescia, ITALY VAT: IT-03482350174	1999	3	F	95.00	100.00	5.00
EVS Broadcast UK Ltd. Ashcombe House, The Crescent 5, Leatherhead, Surrey KT22 8DY, ROYAUME-UNI VAT: UK-853278896	1999	11	F	100.00	100.00	0.00
EVS Equipment Iberica SL Avda de Europa 12-2C, Edificio Monaco, Parque Empresarial la Moraleja 28109 Alcobendas, Madrid, SPAIN VAT: B85200236	2007	3	F	100.00	100.00	0.00
EVS Nederland B.V. Media Park, Sumatralaan 45, Gateway B Ruimte 8518, 1217 GP Hilversum, PAYS-BAS	2008	4	F	100.00	100.00	0.00
EVS Deutschland GmbH Oskar-Schlemmer Str. 15, 80807 Munich, GERMANY VAT: DE-266077264	2009	5	F	100.00	100.00	0.00
EVS International (Swiss) S.A.R .L. Rue des Arsenaux 9, 1700 Friburg, SWITZERLAND VAT: CH-21735425482	2009	2	F	100.00	100.00	0.00
EVS Broadcast Equipment Ltd. New Victory House, 15th Floor, 93-103 Wing Lok Street, Sheung Wan, HONG-KONG	2002	10	F	99.99	99.99	0.00
EVS China Ltd. 2/F., Henfa Commercial Building, 248-350 Lockhart Rd., Wan Chai, HONG-KONG	2005	1	E	20.00	20.00	0.00

NAME AND ADDRESS	Year of foundation or acquisition	Staff as of 31.12.11	Incorporation method used ⁽¹⁾	Part of capital held as of 31.12.10 (in %) ⁽²⁾	Part of capital held as of 31.12.11 (in %) ⁽²⁾	Change in % of capital held
EVS Pékin - Representative office Unit 1710, Tower B, Soho New Town, Jianguo Road 88, Chaoyang District, 100022 Beijing CHINA	2005	4	F	N/A	N/A	N/A
Network and Broadcast Systems Limited (NBS) The Idealism Center, Tianyi Street 78, Building 4, N°1407, Gaoxin District, Chengdu, CHINA	2010	18	F	0.00	100.00	100.00
EVS Broadcast Equipment Middle East Ltd - Representative office Shatha Tower, Office 09, 32 nd Floor, Dubai Media City, Dubai, UNITED ARAB EMIRATED	2006	2	F	N/A	N/A	N/A
EVS Americas Los Angeles – Representative office 101 South First Street, Suite #404 Burbank, CA 91504 USA	2006	3	G	N/A	N/A	N/A
EVS Australia Pty Ltd. Suite 901, Level 9, Elizabeth Street 130, Sydney NSW 2001, AUSTRALIA	2007	1	F	99.99	99.99	0.00
FAR S.P.R.L. Rue Bois de Sclessin 6, B-4102 Seraing, BELGIUM VAT: BE0454 521 511	1999	2	E	39.00	39.00	0.00
MECALEC SMD S.A. Rue Nicolas Fossoul 54, B-4100 Seraing, BELGIUM VAT: BE0467 121 712	1999	29	E	49.50	49.50	0.00
XDC S.A. Pôle Image de Liège Rue de Mulhouse, 36 B-4020 Liège, BELGIUM VAT: BE0865 818 337	2004	156	E	41.30	41.30 ⁽³⁾	0.00

(1) F: Full Consolidation, E: Equity method.

(2) Proportion of capital of those companies held by the companies included in the consolidated accounts and persons acting in their own name on behalf of these companies.

(3) Taking into account the issued warrants, EVS holds 30.2% of XDC S.A. fully diluted.

5. INVESTMENT IN JOINT-VENTURES AND ASSOCIATES

(EUR thousands)	2011	2010
Investment in associates		
Opening balance as at January 1	6,071	6,378
- Disposals during the year	-	-
- Acquisitions during the year	-	-
- Results	2.345	-155
- Others	-632	-152
Closing balance as at December 31	7,784	6,071

5.1. Interests in joint ventures

5.1.1. EVS China Ltd

The group still holds a 20% interest in the distribution joint venture EVS China Ltd. via EVS Broadcast Equipment Limited (Hong Kong subsidiary). The latter used to be active in the distribution of TV equipment in China but, following the opening of the Beijing office in 2008, this joint venture hasn't had any activities, and the carrying amount of the investment has been put to zero.

5.2. Investments in associates

5.2.1. MECALEC SMD S.A.

MECALEC SMD S.A. was founded on October 21, 1999 by S.A. MECALEC (50.5%, not directly or indirectly linked to EVS) and EVS (49.5%). Its subscribed capital is EUR 200 thousand and, therefore, the share of EVS in this company amounts to EUR 99 thousand. This company's main activity is the manufacturing and the assembly of electronic boards, using SMD technology. The registered office is based in Bonnelles, close to Liège (Belgium), 5 km far from EVS. EVS acquired this interest in order to benefit from shorter delivery times on orders for the assembly of electronic boards. Some synergies in R&D and reworking of the production process are possible. In 2011, the net profit of MECALEC SMD amounted to EUR 139 thousand compared to the net profit of EUR 111 thousand in 2010. EVS represented 26% of MECALEC SMD's turnover in 2011.

The share of EVS in the 2011 results of MECALEC SMD amounts to EUR 59 thousand and the share of EVS in MECALEC SMD equity amounts to EUR 543 thousand.

(EUR thousands)	Dec. 31, 2011	Dec. 31, 2010
Share of associate's balance sheet (49.5%)		
Current assets	684	578
Non-current assets	111	100
Current liabilities	-252	-170
Non-current liabilities	-	-
Net assets	543	508
Share of associate's revenue and net result (49.5%)		
Revenue	1,093	993
Net result	59	55
Carrying amount of investment	543	508

5.2.2. FAR S.P.R.L.

FAR, based in Barchon industrial zoning (Province of Liège), designs and sells audio studios for Radio and Television companies or for the Benelux cinema industry.

On December 31, 2011, the EVS stake in FAR amounted to 39% of the capital and its share in the profit for the year 2011 was EUR 4 thousand. The EVS share in the equity capital of FAR amounted to a negative amount. The company submitted in 2010 a "Plan de Réorganisation Judiciaire" that had been accepted, and the company is back to normal business in 2011. The accounting value of the FAR participation remaining in the consolidated accounts of EVS is equal to zero.

5.2.3. XDC S.A.

Created in 2004, notably through the spin-out of "Digital Cinema" activities from EVS, XDC S.A. has been a pioneer in the development of digital solutions for the cinema. Based on the expertise of the EVS Group in digital video compression and digital audio processing, XDC is an integrated company – a hub - which provides equipment and high added value services to the cinema industry. First, XDC offers servers, projectors and services to operators, and secondly, XDC enables film distributors to replace the onerous 35 mm print with encrypted digital files.

Following different evolutions in the capital of XDC, EVS still holds 41.3% of the capital of XDC, and is the main shareholder. In February 2010, XDC consolidated the different subordinated bonds and issued a new one, for a global amount of EUR 15.9 million, bearing 8.25% interest rate, and with a term of December 31, 2015. EVS holds EUR 0.8 million of this subordinated bond. The two main new investors are the Société Régionale d'Investissement de Wallonie (« SRIW S.A. ») and GIMV NV, which bought shares and subscribed to the bond. Each one holds slightly more than 20% fully diluted.

Following this issuance, EVS received warrants allowing it to subscribe to new XDC shares in 2015, for the nominal counter value of its subordinated bonds, what would dilute its shareholding. As a consequence EVS holds, fully diluted, 30.2% of XDC (41.3% not diluted).

End of 2009, XDC acquired 85% of Film Ton Technik GmbH (FTT), the largest digital cinema equipment integrator in Germany, Netherlands, Austria and Poland. FTT assets and liabilities are fully consolidated in XDC accounts since December 31, 2010 onwards. The profit and loss account is consolidated from January 1, 2010.

In February 2011, XDC sold its CineStore activities (design, assembling and commercialization of digital cinema servers) to Barco, a leading provider of digital cinema projectors. The sale was agreed for an amount of EUR 5 million, and a possible future "earn-out". The assets, the liabilities and the employees of this activity were transferred on March 31, 2011.

As of December 31, 2011, XDC shares, accounted for using equity method in EVS consolidated accounts, plus the EVS share of the bonds issued by XDC, amounted to EUR 8.1 million. It included EUR 0.8 million subscribed by EVS.

(EUR thousands)	Dec. 31, 2011	Dec. 31, 2010
XDC equity	17,532	13,469
Balance of subscribed capital to be paid	-	-
Adjusted equity	17,532	13,469
	41.30%	41.30%
Share of EVS	7,241	5,563
Balance of subscribed capital to be paid by EVS	-	-
XDC Share accounted for using equity method	7,241	5,563
Share of associate's balance sheet	41.30%	41.30%
Current assets	20,556	14,530
Non-current assets	33,382	20,813
Current liabilities	-20,088	-15,029
Non-current liabilities	-26,609	-14,751
Net assets	7,241	5,563

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

(EUR thousands)	2011	2010
Chiffre d'affaires	84,307	61,158
EBITDA	17,825	8,700
Exceptionnel profit on the disposal of CineStore	4,400	-
Net result for the period	5,592	-509
Part of XDC capital held	41.3%	41.3%
Net result, share of EVS	2,310	-210

(EUR thousands)	Dec. 31, 2011	Dec. 31, 2010
Carrying amount of investment at the beginning of the period	5,563	5,878
Net result – part of the group	2,310	-210
Converted bond in capital XDC	-	-
Dilution profit relating to XDC	-	-
Net equity adjustments	-632	-105
Carrying amount of investment at the end of the period	7,241	5,563

The cumulated Tax Loss Carry Forward of XDC S.A. amounts to EUR 30.0 million on December 31, 2011. Deferred tax assets are being progressively recognized as the business plan materializes. As at December 31, 2011, 54% of deferred tax assets relating to these losses have been recognized.

6. INCOME AND EXPENSES

6.1. Finance lease receivables

(EUR thousands)	2011	2010
Gross receivable – future lease payments under finance lease		
Within one year (current finance lease)	474	734
After one year but no longer than five years (non-current finance lease)	-	-
Longer than five years (non-current finance lease)	-	-
Less: unearned finance income	-18	-3
Present value of future lease payments		
Within one year (current finance lease)	456	731
After one year but no longer than five years (non-current finance lease)	-	-
Longer than five years (non-current finance lease)	-	-

The group enters into finance leasing arrangements for some of its equipment. The term of finance leases entered into is maximum two years.

The value of the optional purchase options of the assets leased under finance leases is estimated at EUR 0.1 million.

The interest rate inherent in the finance leases is fixed at the contract date for all of the lease term. The weighted average interest rate on finance lease receivables at December 31, 2011 is 6%.

6.2. Financial incomes/(costs)

(EUR thousands)	2011	2010
Interest charges	-267	-241
Interest income on deposit	295	362
Exchange result	-16	-673
Miscellaneous	-126	-46
Other operating income/(expenses)	-114	-598

To limit its exposure to the US dollar, the EVS Group has an active policy to cover the foreign exchange risk, as explained in notes 25 and 0.

6.3. 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 annual report, the non-GAAP measures are reconciled with financial measures determined in accordance with IFRS.

The link between the net result of the fiscal period and the current net result excluding XDC appears as follows:

(EUR thousands)	2011	2010
Net profit for the year – IFRS	32,068	38,058
Allocation to Employees Profit Sharing Plan	507	285
Stock Option Plan	451	332
Amortization on acquired technology and IP	855	550
Amortization on Tax Shelter rights assets	91	270
Contribution of XDC (41.3% share in XDC net result)	-2,310	210
Net profit from operations, excl. XDC	31,663	39,705

6.4. Complementary information about operating charges by nature

(EUR thousands)	2011	2010
Raw materials and consumables used	-13,474	-13,896
Increase (+)/decrease (-) in stocks of finished goods, work and contracts in progress	1,418	1,919
Personnel expenses	-25,584	-22,971
- Remunerations	-19,098	-15,987
- Social security costs	-4,823	-3,878
- ESOP expenses	-958	-617
- Pension defined contributions plan ⁽¹⁾	-245	-121
- Other personnel expenses	-460	-2,368
Average number of employees in FTE ⁽²⁾	386	326
Depreciations	-3,157	-3,079
- of which the ones included in the costs of sales	-274	-333
Increase(-) / Decrease (+) in amounts written off	-1,747	-1,129
- Increase(-) / Decrease (+) in amounts written off on stocks	-1,554	-748
- Increase(-) / Decrease (+) in amounts written off on trade debtors	-193	-381
Operating lease and sublease payments recognized in the income statement	-1,537	-1,308

(1) Defined contribution plans are those for which the company pays fixed contributions into a separate entity with the provisions of the plan. Once these contributions have been paid, the company has no further obligation.

(2) The increase of the average number of employees is due to hiring of additional staff to reinforce R&D, Sales & Marketing, training and field engineers to pursue the EVS' growth.

Since April 1, 2002, EVS has put in place a pension plan (defined contribution plan) under the pension plan rules defined for employees from the metal manufacturing industry ("Commission Paritaire 209"). It means the payment of an annual contribution equal to a percentage of the gross salary (subject to Social Security contributions) for each employee. This contribution is paid by the employer. The contribution rate is set by the rules in this sector. They were as follows:

In %	Contribution rate
2002 à 2006	0.50%
2007	1.00%
2008 à 2010	1.10%
2011	1.77%

The plan is managed by L'Intégrale. The financing policy is outlined in its annual report. The contributions related to this plan amounted to EUR 245 thousand in 2011 and EUR 121 thousand in 2010. It should be noted that to date no payment of benefits has occurred, since no employee of EVS is retired.

7. INCOME TAXES

7.1. Tax charge on results

The tax charge for 2010 and 2011 is mainly made of:

(EUR thousands)	2011	2010
Current tax charge		
Effective tax charge	-13,698	-16,682
Adjustments of current tax related to prior years	-493	3
Deferred taxes		
Tax effects of temporary differences	-91	-33
- Adjustments for fixed assets depreciation method	-71	40
- Direct and indirect production costs capitalized in inventories	-20	-73
Income taxes included in the income statement	-14,282	-16,712

7.2. 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 2010 and 2011 with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	2011	2010
Reconciliation between the effective tax rate and the theoretical tax rate		
Profit before taxes and share in the result of the enterprise accounted for using the equity method	43,982	54,926
Effective tax charge based on the effective tax rate	-14,282	-16,712
Effective tax rate	32.5%	30.4%
Reconciliation items for the theoretical tax charge		
Tax effect of Tax Shelter	0	-255
Tax effect of deduction for notional interest	-157	-261
Tax effect of non deductible expenditures	578	387
Other increase (decrease)	401	-186
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-13,460	-17,027
Theoretical tax rate (relating to EVS operations, excl. XDC)	30.6%	31.0%

7.3. Deferred taxes on the balance sheet

The sources of deferred taxes are as follows:

(EUR thousands)	December 31, 2011		December 31, 2010	
	Assets	Liabilities	Assets	Liabilities
Depreciation of tangible and intangible assets	-	-	-	-
Direct and indirect production costs capitalized in inventories	-	-390	-	-370
Buildings revaluation	-	-693	-	-739
Miscellaneous	-	-	-	-
Total	-	-	-	-1,109
Depreciation of EVS Inc. tangible and intangible assets ⁽¹⁾	-	-	6	-
Net booked value ⁽¹⁾	-	1.083	6	-1,109

⁽¹⁾ According to IFRS, deferred taxes from foreign subsidiaries cannot be balanced with deferred taxes from the parent company.

8. EARNING PER SHARE

The basic earnings per share are calculated by dividing the net profit and loss of the period attributable to the ordinary shares, less the treasury shares, by the weighted average number of ordinary shares in circulation during the year.

The diluted earnings per share are calculated by dividing the net result of the period attributable to the ordinary shareholders by the weighted average number of ordinary shares in circulation at the rate of the period, adjusted by the diluting effects of the share options (warrants).

(EUR thousands)	2011	2010
Net profit	32,068	38,058
Minority interests	-	-
Net profit for the year attributable to equity holders of the parent company	32,068	38,058
	2011	2010
Weighted average number of subscribed shares, excluding treasury shares	13,465,244	13,511,048
Dilution effect of the weighted average number of the share options in circulation	289,961	231,361
Weighted average number of fully diluted number of shares	13,755,205	13,742,409
Basic earnings per share (EUR)	2.38	2.82
Diluted earnings per share (EUR)	2.33	2.77

The number of treasury shares held as at December 31, 2011 amounted to 183,372 compared to 140,403 as at December 31, 2010. The weighted average number of treasury shares held in 2011 amounted to 159,830 against 106,793 in 2010.

9. DIVIDENDS PAID AND PROPOSED

Dividends are declared for issued shares less treasury shares at the payment date.

(EUR thousands)	Coupon #	Declaration date	2011	2010
Declared and paid during the year :				
- Final dividend for 2009 (EUR 1.48 per share excl. treasury shares)	10	May 2010	-	20,057
- Interim dividend for 2010 (EUR 1.16 per share excl. treasury shares)	11	Nov. 2010	-	15,638
- Final dividend for 2010 (EUR 1.48 per share excl. treasury shares)	12	May 2011	19,927	-
- Interim dividend for 2011 (EUR 1.16 per share excl. treasury shares)	13	Dec. 2011	15,592	-
Total paid dividends			35,519	35,695

(EUR thousands)	2011	2010
Proposed for approval at the OGM :		
- Total dividend for 2010 (EUR 2.64 per share incl. interim dividend)	-	35,565
- Proposed dividend for 2011 (EUR 2.36 per share incl. interim dividend)	31,722	-
Total	31,722	35,565

As from coupon #13, only the dematerialized shares are valid.

10. GOODWILL

(EUR thousands)	TOTAL
Acquisition cost	
As of December 31, 2010	820
- Acquisitions	-
- Sales and disposals	-
As of December 31, 2011	820
Accumulated depreciation and impairment	
As of December 31, 2010	-
- Amortization and impairment	-210
- Sales and disposals	-
As of December 31, 2011	-
Net carrying amount	
As of December 31, 2010	820
As of December 31, 2011	610

OpenCube Technologies is consolidated at 100% in the accounts of EVS Broadcast Equipment SA since April 1, 2010. As a result of the acquisition, EUR 0.8 million had been recorded as goodwill and EUR 1.5 million as intangible asset for acquired Technology & IP. The acquisition value was EUR 2.7 million, including the estimate of variable future payments that depend on qualitative and quantitative criteria (EUR 0.4 million). Goodwill is the difference between the cost of an acquisition and the share of the acquirer's interest in the net fair value of the identifiable assets, certain liabilities and eventual liabilities. The goodwill is not depreciated but is 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. The intangible asset is recognized at cost. It is depreciated on a

straight-line basis over the duration of its economic utility estimated at 4 years and will be reviewed for impairment testing each time there is a sign of impairment in this intangible asset.

The assets and liabilities arising from the acquisition of OpenCube Technologies were as follows:

(EUR thousands)	April 1, 2010
Goodwill	820
Acquired technology & IP	1,532
Other non-current assets	141
Current assets	898
Liabilities	-739
Net assets acquired	2,652

Goodwill is equal to the excess profit calculated by the difference between the effective (historical) return and the expected market return for such investment.

As foreseen by IFRS rules, an impairment test of the goodwill is done annually, during the fourth quarter. In 2011, that test did reveal a negative difference with the goodwill recorded at the time of the acquisition of EUR 0.2 million.

11. INTANGIBLE ASSETS

(EUR thousands)	Technology (DWESAB and OpenCube)	Software licenses	Investments in movies	TOTAL
Acquisition cost				
As of December 31, 2009	1,049	777	1,570	3,396
- Acquisitions	-	71	-	71
- Sales and disposals	-	-	-	-
- Transfers	-	-	-1,570	-1,570
- Variation in consolidation scope (acquisition of OpenCube)	1,532	74	-	1,606
As of December 31, 2010	2,581	922	-	3,503
Accumulated depreciation				
As of December 31, 2009	-328	-584	-1,231	-2,143
- Acquisitions	-550	-122	-269	-940
- Sales and disposals	-	-	-	-
- Transfers	-	-	1,500	1,500
- Variation in consolidation scope	-	-19	-	-19
As of December 31, 2010	-877	-725	-	1,602
Net carrying amount				
As of December 31, 2009	721	193	339	1,253
As of December 31, 2010	1,704	197	-	1,901

(EUR thousands)	Technology (DWESAB and OpenCube)	Software licenses	Investments in movies	TOTAL
Acquisition cost				
As of December 31, 2010	2,581	922	-	3,503
- Acquisitions	-	261	-	261
- Sales and disposals	-	-	-	-
- Transfers	-	-	-	-
- Variation in consolidation scope	-	-	-	-
As of December 31, 2011	2,581	1,183	-	3,764
Accumulated depreciation				
As of December 31, 2010	-877	-725	-	1,602
- Acquisitions	-646	-130	-	-776
- Sales and disposals	-	-	-	-
- Transfers	-	-	-	-
- Variation in consolidation scope	-	-	-	-
As of December 31, 2011	-1,523	-855	-	-2,378
Net carrying amount				
As of December 31, 2010	1,704	197	-	1,901
As of December 31, 2011	1,508	328	-	1,386

11.1. Technology

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, EUR 1.0 million has been recorded on the balance sheet of EVS as intangible asset for technology. This intangible asset has been recognized at cost and calculated as the difference between the cost of the acquisition and the net fair value of the identifiable tangible assets, certain liabilities and eventual liabilities. It is depreciated on a straight-line basis over the duration of its economic utility estimated at 4 years and will be reviewed for impairment testing each time there is a sign of impairment in this intangible asset.

As explained in the note 10 relating to goodwill, EVS announced, on April 6, 2010, the acquisition of 100% of the share capital of OpenCube Technologies (France). The OpenCube team included approximately 15 people, mainly development engineers and operational experts. OpenCube Technologies is consolidated at 100% in the accounts of EVS Broadcast Equipment SA since April 1, 2010. As a result of the acquisition, EUR 0.8 million has been recorded as goodwill and EUR 1.5 million as intangible asset for acquired Technology & IP.

11.2. Tax Shelter - Investments in movies

The Belgian Law known as "Tax Shelter Law" sets out to provide a tax incentive to companies which invest, under certain conditions, a part of their profits in movies produced at least partially in Belgium.

In accordance with the opinion of the Belgian Accounting Standards Commission (CNC / CBN) released in June 2010 on the accounting treatment of the "Tax Shelter" from the investor standpoint, and since the acquired movie rights meet the definition of financial assets under IAS 32, EVS has decided to record, from the year 2010 on, the movie rights relating to "Tax Shelter" in current assets, in the cash equivalents.

11.3. Intellectual property

Certain products developed and marketed by EVS Group, as well as technology used, are covered by patents or licenses. In the future, the company will not hesitate to intensify its patent policy. However, EVS remains convinced that the best protection lies in the continuous technological progress of its equipment. The speed of development in technology and product ranges in the fields in which EVS operates makes any attempt at copying or imitating a fruitless operation. In addition, EVS did register a patent within the European Community or other countries outside Europe for some key brand names.

12. TANGIBLE ASSETS (INCLUDING FINANCE LEASES)

(EUR thousands)	Land and buildings	Plant, Machinery and equipment	Other tangible assets	Assets under construction	TOTAL
Acquisition cost					
As of December 31, 2009	12,587	1,071	5,096	1,105	19,859
- Acquisitions	807	31	768	728	2,334
- Sales and disposals	-449	-	-	-	-449
- Variation in consolidation scope	-	32	319	-	351
- Transfers	206	-	92	-298	-
- Others	-	-	-	-	-
As of December 31, 2010	13,151	1,134	6,275	1,534	22,095
Accumulated depreciation					
As of December 31, 2009	-2,431	-872	-3,426	-	-6,729
- Depreciations	-1,116	-140	-883	-	-2,139
- Sales and disposals	31	-	-	-	31
- Variation in consolidation scope	-	-31	-236	-	-267
- Other	-	-	-	-	-
As of December 31, 2010	-3,516	-1,043	-4,545	-	-9,104
Net carrying amount					
As of December 31, 2009	10,156	199	1,670	1,105	13,130
As of December 31, 2010	9,635	91	1,730	1,534	12,991
Mortgages and other guarantees					
Net carrying amount of fixed assets given as real guarantees	4,166				4,166

(EUR thousands)	Land and buildings	Plant, Machinery and equipment	Other tangible assets	Assets under construction	TOTAL
Acquisition cost					
As of December 31, 2010	13,151	1,134	6,275	1,534	22,095
- Acquisitions	1,289	226	1,010	661	3,186
- Sales and disposals			-36		-36
- Variation in consolidation scope					
- Transfers					
- Others					
As of December 31, 2011	14,440	1,360	7,249	2,195	25,244
Accumulated depreciation					
As of December 31, 2010	-3,516	-1,043	-4,545	-	-9,104
- Depreciations	-1,220	-55	-946	-	-2,221
- Sales and disposals			36		36
- Variation in consolidation scope					
- Other					
As of December 31, 2011	-4,736	-1,098	-5,455	-	-11,289
Net carrying amount					
As of December 31, 2010	9,635	91	1,730	1,534	12,991
As of December 31, 2011	9,704	262	1,794	2,195	13,955
Mortgages and other guarantees					
Net carrying amount of fixed assets given as real guarantees	4,004				4,004

Following the rapid growth of the Belgian teams spread into six different buildings in the Liège Science Park, the Board of Directors of EVS approved the project to build a new facility (near the existing site (to be finished in 2014)). The project is estimated at approximately EUR 40 million, from which around EUR 5 million regional and European subsidies must be deducted. Investments for this new building have been done in 2011 for an amount of EUR 1.3 million. In addition, all or part of the current buildings, valued at EUR 8.7 million at end of 2011 (recoverable share), could be sold by EVS. By consequence, an accelerated depreciation has been recorded on the works done on existing buildings, so that they are fully depreciated at the date of the relocation planned for April 2014.

Production of the equipment manufactured and marketed by EVS does not require important tangible investment, as far as the assembly is partially subcontracted, notably to MECALEC SMD S.A.. Whenever possible, specialized work is outsourced (i.e. sheet metalwork and manufacturing of integrated circuits ("ICs")).

The group policy is to own its buildings, even if 12% are financed with long term leases (see note 19). The net book value on December 31, 2011 amounts to EUR 9.7 million and is composed of:

(EUR thousands)	December 31, 2011
EVS Building I (16 rue Bois Saint-Jean, Seraing - Liège)	1,613
EVS Building II (18 rue Bois Saint-Jean, Seraing - Liège)	352
EVS Building III (6 avenue Pré Aily, Angleur - Liège)	821
EVS Building IV (16 rue Bois Saint-Jean, Seraing - Liège)	4,004
EVS Building V (20 rue Bois Saint-Jean, Seraing)	764
EVS Bât. VI (25 avenue Pré Aily, Angleur - Liège)	1,102
Subtotal recoverable buildings in Seraing/Angleur	8,656
EVS modular buildings (16 rue Bois Saint-Jean, Seraing - Liège)	477
EVS works in Brussels premises	292
EVS works in affiliates	279
Total	9,704

Investments in these buildings benefited from subsidies granted by the Walloon Region and the European Community for a gross amount of EUR 2.1 million. In accordance with the group's evaluation rules, the subsidies linked to the buildings are recognized as deduction of the net carrying amount of these assets for a net amount of EUR 0.7 million.

In line with our accounting rules, the buildings have been reevaluated in 2010 by a specialized expert (Galtier Expertises S.A.). This confirmed the valuation, as of December 31, 2010, of the recoverable buildings in the EVS accounts (variation of 5%).

We should note that, if the buildings had been accounted according to the cost method, their value would have been inferior with EUR 1.0 million.

13. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses amounted to EUR 18.5 million in 2011 versus EUR 16.2 million in 2010. R&D does not require any considerable investment, since engineers and programmers work directly and mainly on the machines to be sold or on servers for the software development. According to the group's valuation rules, these research costs are not capitalized but recognized as expenses when incurred.

Since 4Q10, EVS takes into account a withholding tax exemption given since 2006 by the Belgian government to companies paying or allocating compensation to individual researchers who are engaged in collaborative R&D programs according to some criteria defined under section 273 of the Code of income tax in Belgium. In the presentation of the accounts for 2010 and 2011, the amount relating to the current year comes as a deduction of R&D charges. In addition, at the end of 2010, EVS introduced, at the Belgian tax authorities, an application for automatic relief relating to the regularization of withholding taxes deducted from the remuneration of its R&D staff during the January 1, 2006 to December 31, 2009 period. This claim on the past has been settled in 2Q11, leading to a total one-time profit of EUR 1.1 million in FY11.

The detail of R&D expenses is as follows:

(EUR thousands)	2011	2010
Gross R&D expenses	20,545	17,147
R&D tax credits for current fiscal year	-937	-941
R&D tax credits for past fiscal years (2006 à 2009)	-1,114	-
R&D expenses	18,494	16,206

14. FINANCIAL ASSETS

14.1. Subordinated loans

(EUR thousands)	2011	2010
Subordinated loans		
Net carrying amount as of January 1	830	830
- Refunded/converted during the year	-	-
- Acquired during the year	-	-
- Result	-	-
- Others	-	-
Net carrying amount as of December 31	830	830

As explained in the note 0.3 relating to the investments in associates, EVS contributed for EUR 0.8 million to the refinancing of XDC in 2009. In addition, on December 30, 2009, EVS contributed in kind to the XDC capital EUR 4.3 million bonds with warrants issued in 2007 and 2008 by XDC, bringing its share in XDC from 47.2% to 41.3%.

14.2. Other financial assets

(EUR thousands)	2011	2010
Other financial assets		
Net carrying amount as of January 1	391	333
- Refunded during the year	-120	-167
- Acquired during the year	73	222
- Others	-6	3
Net carrying amount as of December 31	338	391

EVS has decided to benefit from the Belgian "Tax Shelter" law. In this context, the combined conditional loans made to movie production companies amounted to EUR 0.1 million as of December 31, 2011. These amounts, as well as the interests and other incomes, should be recovered within 18 months of the signing of the contracts.

15. INVENTORIES AND CONSTRUCTION CONTRACTS

15.1. Inventories

(EUR thousands)	December 31, 2011	December 31, 2010
Raw materials	11,705	9,333
Finished goods	12,102	10,682
Total at cost	23,807	20,015
Cumulated amounts written off at the beginning of the period	-7,595	-6,847
Reversal/use of the amounts written off, net	-1,555	-748
Cumulated amounts written off at the end of the period	-9,150	-7,595
Total net carrying amount	14,657	12,420

Write-offs movements on inventories, which were valued at EUR 1.6 million in 2011 and at EUR 0.7 million in 2010, are accounted as charges in the costs of sales. These write-offs concern technologically obsolete stock items.

15.2. Construction contracts

(EUR thousands)	December 31, 2011	December 31, 2010
Direct and project related incurred costs	2,822	2,498
Noticed profit (+)/loss (-)	5,696	6,751
Value of the orders in progress at the closing date	8,518	9,249
Invoiced advances	9,671	9,857
Gross amounts due by clients for works relating to contracts	1,460	1,009

Advances received from customers for construction contracts amounted to EUR 9.7 million at December 31, 2011, compared to EUR 9.9 million at the end of 2010. Revenues relating to work in progress during 2011 amounted to EUR 8.5 million.

16. TRADE AND OTHER RECEIVABLES

(EUR thousands)	December 31, 2011	December 31, 2010
Trade receivables	23,994	18,376
Amounts receivable linked to joint ventures	-	-
Other related parties	-	7
<i>Total trade receivables</i>	<i>23,994</i>	<i>18,383</i>
Other amounts receivable	1,406	992
Deferred charges and accrued income	1,576	946
Total	26,976	20,321

The outstanding trade receivables increased by EUR 5.6 million, partially due to high invoicing in December 2011. In general, for the sales to third parties, the EVS Group grants a 2-year technical guarantee on products sold to external customers subject to the general conditions of sale.

Trade receivables are non-interest bearing and are generally on 70-day terms.

17. CASH AND CASH EQUIVALENTS

(EUR thousands)	December 31, 2011	December 31, 2010
Dépôts bancaires à vue et caisses	10,218	9,059
Short-term deposits	9,440	18,556
Rights under the Tax Shelter treatment	274	331
Total	19,932	27,946

The short term deposits run from overnight to less than six months periods according to the group's immediate cash requirements and pay at the different rates of the short term deposits.

Like every year, EVS decided in 2011 to take advantage of this provision to assist the development of digital HDTV and digital cinema promotion in various steps of filming, post production and projection of movies. The Belgian Law known as "Tax Shelter Law" sets out to provide a tax incentive to companies which invest, under certain conditions, a part of their profits in movies produced at least partially in Belgium.

In accordance with the opinion of the Belgian Accounting Standards Commission (CNC / CBN) released in June 2010 on the accounting treatment of the "Tax Shelter" from the investor standpoint, and since the acquired movie rights meet the definition of financial assets under IAS 32, EVS has decided to record, from the year 2010 on, the movie rights relating to "Tax Shelter" in current assets, in the cash equivalents.

The tax incentive for an investor that signs and finances such a movie production agreement is the decrease of its taxable profits by 150% of the invested funds. This taxable base decrease may not exceed EUR 750 thousand or 50% of the taxable profits of the period calculated before exemption. It is only granted and maintained if several conditions are followed by the company and by the movie producer.

At the end of December 2011, a total cumulated contribution of EUR 3.2 million had been made, in 20 movies produced by Belgian companies, under the form of direct investments in co-producer rights (EUR 1.9 million) and conditional loans (EUR 1.3 million, of which a balance of EUR 0.1 million as of December 31, 2011). To limit its risk, and hence also limiting the return, EVS received from most of the producers, a put option on the rights held on the revenues of the movies.

18. OWNER'S EQUITY

18.1. Movements in issued capital

The company was founded on February 17, 1994 with a capital of EUR 30,987 consisting of 1,000 shares and has developed as follows:

Date	Description	Number of shares	Capital (EUR)
17.02.94	Constitution	1,000	30,987
25.04.96	Incorporation of reserves	-	90,481
25.04.96	Issuing of 100 shares at EUR 892 per share including a share premium of EUR 771 included in capital	100	12,147
			77,095
		1,100	210,710
06.06.97	Incorporation of reserves	-	242,440
06.06.97	Issuing of 172 shares, at EUR 4,338 per share, including a share premium of EUR 3,926	172	70,855
			675,304
		1,272	1,199,309
25.09.98	Stock split by 2,000:1	2,544,000	1,199,309
14.10.98	Initial Public Offering	+ 200,000	94,284
	Incorporation of share premium		7,342,522
		2,744,000	8,636,115
07.09.99	Issuance of 119,952 shares for exchange with NETIA shareholders	119,952	7,197,120
	Incorporation of reserves		166,765
		2,863,952	16,000,000
25.05.03	Treasury shares cancellation	-63,952	-
		2,800,000	16,000,000
24.02.04	Capital reimbursement	-	-8,137,521
15.03.04	Issuance of 15,000 shares after the exercise of warrants	15,000	480,000
		2,815,000	8,342,479
09.05.05	Stock split by 5:1	14,075,000	8,342,479
19.06.06	Treasury shares cancellation	-200,000	-
12.06.09	Treasury shares cancellation	-250,000	-
Capital on	December 31, 2011	13,625,000	8,342,479

18.2. Issued capital and treasury shares

As of December 31, 2011, the issued capital of EVS amounts to EUR 8,342,479 and is represented by 13,625,000 fully paid up shares without designation of nominal value. EVS complies with the legal requirements relating to the capital (articles 581 to 634 of the "Code des Sociétés").

As of December 31, 2011, 286,550 issued warrants with an average exercise price of EUR 39.37 per share are exercisable between March 2011 and March 2018. The company uses a portion of the capital (annual dilution of 0.5%) for employee retention and motivation through a plan of warrants.

The management estimates that the level of capital of EVS is sufficient, as shareholders' equity represents 64.3% of the total balance sheet at the end of 2011.

18.3. Authorized capital

In accordance with the resolution adopted by the Extraordinary General Meetings of June 7, 2010, the Board of Directors is authorized to increase the share capital in one or more installments up to a maximum of EUR 8,300,000, including share premium. This authorization is valid for a duration of 5 years as from the publication of the deliberation of the postponed Extraordinary General Meeting of June 7, 2010. These increases in capital can be realized through cash subscriptions, contributions in kind or incorporation of reserves. Within the limits of this authorization, the Board of Directors will be able to issue bonds convertible into shares or application rights, in observance of the provisions of articles 489 and 496 and in accordance with the "Code des Sociétés" (Company code) and the Board can limit or withdraw the preferential application rights of shareholders, including those in favor of one or more given persons, according to the procedures to be specified by the Board and, if need be, subject to observance of the provisions of articles 595 and in accordance with the "Code des Sociétés". The Board of Directors is expressly entitled to use the authorized capital under the conditions set down in article 607 of the "Code des Sociétés" in the event of a takeover bid after receipt of the communication made by the FSMA according to which a notice of a takeover bid concerning the company has been referred to it, in so far as this receipt occurs within three years of the holding of the Extraordinary General Meeting of the June 7, 2010.

18.4. Staff incentive program

18.4.1. Warrants scheme

Since December 1999, the company has set up a stock options/warrants scheme for the group's employees and managers. In accordance with the fiscal legislation in force, the scheme has a minimum scope of 3 to 4 years between the granting and effective exercise of a warrant. This warrant distribution policy has been set up in order to gain the loyalty of the members of personnel and to allow them to participate in the results of the company. EVS hedges this program through the buy-back of its treasury shares on the stock market. The Board has the authorization from the Extraordinary General Meeting to proceed to these buy-backs. In view of the 286,550 warrants exercisable at the end of 2011 (298,350 at the end of 2010), the dilution effect represents 2.1% of the share capital, this being more than offset by the 183,372 treasury shares, which represent 1.3% of the number of diluted shares. The voting right and the right to the dividend are suspended during such time as the shares are held by the company. The warrants are granted at an underlying share value corresponding to the average share price of the last 30 days preceding the grant. When the warrants are exercised, the Board of Directors may choose to either issue new shares or to grant treasury shares previously acquired by the company. EVS has the intention of continuing with this profit sharing scheme.

During the Extraordinary General Meetings of September 7, 1999 and May 16, 2000, 400,000 warrants (amount recalculated after division of the share in 2004) were issued in favor of the personnel of the EVS Group. The Extraordinary General Meeting of May 21, 2002 issued 350,000 additional warrants, the EGM of June 7, 2010 issued 250,000 warrants, and the EGM of December 5, 2011 issued 350,000 warrants, in order to bring the total number to 1,350,000. As of December 31, 2011, 872,850 of these warrants had been distributed (or a dilution of 0.5% per year), 489,200 exercised and 97,100 cancelled following departures or repurchased following sales of subsidiaries, which means that 286,550 can be exercised as of December 31, 2011. As a result, 477,150 warrants are still available for distribution by the Board of Directors. The weighted average maturity is December 25, 2014. These warrants may be exercised between March 2012 and March 2018. They have an average exercise price of EUR 39.37 per share. In the course of 2011, 2,000 warrants were granted, 7,850 exercised and 5,950 cancelled following the departure of personnel. The Board of Directors determines the grant, withholding and exercise conditions of the warrants, either through issuance of new shares or by allocation of existing shares.

The following table illustrates the number and the weighted average price of the period (WAPP) of the warrants in the scheme:

	2011		2010	
	Number	WAP (EUR)	Number	WAP (EUR)
In circulation at the beginning of the period	298,350	39.36	124,650	46.62
Granted during the period	2,000	37.71	186,550	34.69
Exercised during the period ⁽¹⁾	-7,850	36.14	-9,350	37.30
Cancelled during the period	-5,950	42.29	-3,500	54.59
In circulation at the end of period	286,550	39.37	298,350	39.36

⁽¹⁾ The average share price (closing) during the exercise period in 2011 was EUR 42.67.

The warrants in circulation as of December 31, 2011 and exercisable over the next years are as follows:

Expiry date	Exercise prices (EUR)	Number on December 31, 2011	Number on December 31, 2010
2015	Between 34.52 and 44.97	185,550	189,550
2016	Between 36.77 and 41.90	39,050	44,650
2017	65.66	1,000	1,000
2018	Between 54.59 and 68.77	60,950	63,150
Total	Between 34.52 and 68.77	286,550	298,350

In accordance with IFRS 2, the warrants are valued on the grant date in order to be charged over the useful life of the warrant. The Black & Scholes model has been used coherently for this valuation, on the basis of volatilities, yield of historical and/or expected dividends. The key parameters in the Black & Scholes model are the volatility of EVS share (between 20% and 40%), the interest rate without risk (taken between 2% and 5%) and the dividend return (taken between 2.5% and 7.0%).

18.4.2. Profit sharing plan

In order to thank, develop loyalty and especially encourage the teams of the group and in accordance with the related law, a profit sharing scheme will be proposed the Ordinary General Meeting of May 15, 2012 approved a profit sharing scheme in the form of a grant of EVS Broadcast Equipment S.A. shares relating to the appropriation of the year 2011. Taking into account tax implications for the company, each employee received a number of shares included between 23 and 46 (net of taxes and proportionally to the hiring date and the time spent for each person), what represented 11,950 shares in total to approximately 285 group's employees, or EUR 0.5 million.

18.5. Treasury shares buy-back

Treasury shares buy back was approved by the Extraordinary General Meeting of June 12, 2009 as follows: in accordance with article 620, first paragraph, sections 3 and 4, line 1, 2° of the "Code des Sociétés", the Board of Directors is authorized, without other decision by the General Meeting, within the limits laid down by law and for a period of three years as

from July 9, 2009 (date of publication in the appendices to the “Moniteur Belge” of the amendment to the statutes decided by the Extraordinary General Meeting dated June 12, 2009), to acquire, exchange and/or sell on the stock exchange market or in any other manner, the treasury shares of the company in order to avoid serious and imminent damage. This authorization is valid until July 9, 2012.

Following the Extraordinary General Meeting of June 12, 2009, authorization to buy back treasury shares has been modified in Article 8 bis, Paragraph 2, clause 1 of the statutes as follows “According to article 620, section 1, paragraphs 1 to 4 of the Code of Companies, the Board of Directors is authorized (...) for a period of five (5) years from July 9, 2009 (date of publication in the appendices to the “Moniteur Belge” of the amendment to the statutes decided by the Extraordinary General Meeting dated June 12, 2009), to purchase, exchange and/or transfer on the stock exchange or in any other way, a maximum of twenty per cent of the total number of shares issued by the company, fully paid up, at a minimum unit price of EUR 1 and at a maximum unit price not higher than 20% above the highest closing stock market price of the company's shares on Euronext Brussels during the 20 trading days preceding such acquisition. (...). Such authorization extends to the acquisition of shares of the parent company by its subsidiaries, as such subsidiaries are defined by legal provisions on acquisition of shares of the parent company by its subsidiaries”. The Board of Directors pursues this policy of buying back treasury shares in order to cover the employee share-based plan, to benefit from short term weakness in the share price or improve the liquidity of the stock, while showing its confidence in the company's future. The Board considers this buy back a good investment due to the good price earnings compared with short-term deposits. This authorization is valid until July 9, 2014.

The number of treasury shares held as of December 31, 2011 was 183,372 compared to 140,403 as of December 31, 2010. In 2011, the number of treasury shares increased in number and in weighted average prices (WAP) as follows:

	2011		2010	
	Number	WAP (EUR)	Number	WAP (EUR)
At the beginning of the period	140,403	37.41	78,675	36.37
Buy back on the market	60,228	38.49	97,797	38.15
Sales on the market	-	-	-	-
Treasury shares cancellation	-	-	-	-
Sales linked to the staff incentive program	-17,259	38.03	-36,069	37.14
At the end of the period	183,372	37.71	140,403	37.41

18.6. Reserves

(EUR thousands)	December 31, 2011	December 31, 2010
Legal reserve	865	834
Non taxable reserves for Tax Shelter	1,350	1,600
Reserves available for distribution	67,489	70,864
Reserves for treasury shares	-6,915	-5,253
Interim dividend	-15,592	-15,638
Reserves	47,197	52,407

18.6.1. Non-taxable reserves for Tax Shelter

It corresponds to the non-taxable investment and conditional loans made in the framework of the Belgian provision known as “Tax Shelter”, i.e. a total amount of EUR 4.8 million (or EUR 3.2 million X 150%) since 2004, net of non taxable amounts until 2011 (global amount of EUR 3.5 million).

18.6.2. Reserves for treasury shares

In accordance with the group's evaluation rules, the sums paid or obtained during the acquisition or sale of the company's treasury shares are recognized directly in the shareholders' equity attributable to the company's shareholders. No profit or expense is included in the income statement for the purchase, sale, issue or cancellation of treasury shares.

18.7. Translation differences

In accordance with the group's evaluation rules, for the EVS Inc. subsidiary which operates in USD, at the closing date, the assets and liabilities are converted into the group's reporting currency (EUR) at the exchange rate in force on the reporting date, capital and reserves are converted at historical exchange rate, and the income statement is converted at the average exchange rate of the period. The translation differences resulting from this conversion are directly recognized under a distinct heading of equity.

19. INTEREST-BEARING LOANS

(EUR thousands)	December 31, 2011	December 31, 2010
Long-term financial debts		
Bank loans	866	1,165
Long-term finance lease obligations	-	-
Other long-term debts	9	9
Amount due within 12 months (shown under current liabilities)		
Bank loans	291	295
Long-term finance lease obligations	-	-
Other short-term debts	-	-
Total financial debt (short and long-term)	1,166	1,469
The total financial debt is repayable as follows :		
- within one year	291	295
- after one year but no more than five	875	1,174
- more than five years	-	-

19.1. Credit lines

As of December 31, 2011, the group had been granted by its banks EUR 2.4 million potential credit lines which can be used either as cash provisions, as short term fixed advances and as guarantees. EUR 0.2 million of these credit lines were used for bank guarantees, mainly within the framework of state-owned TV stations tender procedures.

19.2. Bank loans relating to buildings

The group's policy is to hold its own buildings and to finance them, mainly through equity, and secondarily through long term loans. The open long term bank loans as of December 31, 2011 have the following details:

(EUR thousands)	Nominal value	Maturity	Effective interest rate	Remaining balance	Net book value	Guarantee on asset
Bank loans :						
- Buildings I & II	980	2015	fixe 3.4%	368	1,965	-
- Building IV	2,500	2015	fixe 4.3%	764	4,004	3,250

It is advisable to observe that the EUR 1.1 million financial debts relating to buildings cover only 12% of the net book value of the EVS buildings (EUR 9.7 million) at December 31, 2011 (see note 12).

20. PROVISIONS

(EUR thousands)	Litigations	Other provisions	Total
Provisions			
As of January 2011	1,050	6	1,056
Arising during the year			
Utilized			
Reversed		-6	
Others			
As of December 31, 2011	1,050	-	1,050
Current 2010	-	-	-
Non-current 2010	1,050	6	1,056
Current 2011			
Non-current 2011	1,050		1,050

The provisions registered in the consolidated accounts mainly correspond to social and commercial disputes whose outcome is still unknown.

The amounts allocated to the provisions are measured according to the best knowledge of the management with regard to these disputes and their reasonability has been discussed with the group's lawyers.

21. TRADE AND OTHER PAYABLES

(EUR thousands)	December 31, 2011	December 31, 2010
Trade payables	5,385	3,251
Amounts payable linked	41	40
Other related parties	73	40
<i>Total trade payables</i>	<i>5,499</i>	<i>3,331</i>
Other payables	5,336	2,094
Accrued charges	2,068	657
Deferred income	953	1,361
Total	13,856	7,443

Trade payables are non-interest bearing and are normally settled on 45-day terms.

22. COMMITMENTS AND CONTINGENCIES

22.1. Operating lease commitments

The group holds operating leases on most of the vehicles of its fleet. These leases have an average life time between 3 and 5 years. The expenses relating to these leases amounted to EUR 1.5 million in 2011 and EUR 1.3 million in 2010.

Future minimum rentals payable under operating leases are as follows as of 31 December:

(EUR thousands)	2011	2010
Within one year	1,521	1,172
After one year but no longer than five years	2,919	2,232
Longer than five years	-	-
Total	4,440	3,404

In the event of cancellation of the operating leases as at December 31, 2010, a compensation of around EUR 61 thousand should be paid by the group.

22.2. Commitments relating to technical guarantee in respect of sales

Generally, EVS group grants a 2-year technical guarantee on products sold subject to the general conditions of sale.

22.3. Bank guarantees

Bank guarantees amounted to EUR 0.2 million as of December 31, 2011 mainly requested as part of international public tenders, or as security deposit.

22.4. Guarantees on assets

Mortgage proxies amounting EUR 3.3 million have been given for the loans financing the building IV, having a net book value of EUR 4.0 million as of December 31, 2011 (see note 12).

In the framework of the EUR 100 million Financing Facility set by BNP Paribas Fortis, KBC and EIB in 2009 in favor of XDC S.A., all XDC S.A. shareholders had agreed to pledge their XDC shares. Lenders agreed to release this pledge in 2011.

23. RELATED PARTY DISCLOSURES

23.1. Affiliates

The consolidated financial statements include the financial statement of EVS Broadcast Equipment S.A. and the subsidiaries consolidated according to the fully consolidation method listed in note 4. They are representation and distribution subsidiaries for the products developed by EVS.

The table hereunder provides the total amount of transactions which have been entered into with related parties (for information regarding outstanding balances at year end, refer to notes 16 and 21).

Sales to and purchases from related parties are made at normal market prices and under usual commercial conditions.

Outstanding balances at year end are unsecured and settlement occurs in cash.

(EUR thousands)		Sales to related parties	Purchases from related parties	Amounts due by related parties	Amounts owed to related parties
Related parties					
Associates :					
MECALEC S.A.	2011	-	-573	-	-73
	2010	-	-577	-	-40
XDC S.A.	2011	100	-	53	-
	2010	7	-2	7	-
FAR S.A.	2011	-	-	-	-
	2010	-	-16	-	-
Joint venture :					
EVS China LTD	2011	-	-	-	-41
	2010	-	-	-	-40
Total	2011	100	-573	53	-114
	2010	7	-595	7	-80

24. AUDITOR

In 2011, the fees relating to the function of Auditor of the parent company's auditor, BDO Atrio, Réviseurs d'Entreprises S.C.C. (B-00023), and its network, represented by Felix FANK amounted to EUR 84,625 in aggregate for its duties as Auditor (EUR 45,343) and also for other duties (EUR 39,282).

25. FINANCIAL RISK MANAGEMENT POLICIES

The group enters into derivative transactions, principally forward currency contract. The purpose is to secure its purchases and its sales in foreign currencies against negative variations of these currencies. Indeed, the group has transactional currency exposures. Such exposure arises from sales or purchases by operating entities in currencies other than the group's functional currency.

The main risk arising from the group's financial instrument is described in note 26.2. The group's principal financial instruments, other than derivatives, comprise bank loans, finance leases and operating leases, cash and short-term deposits. The purpose of these financial instruments is to raise finance for the group's operations.

The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The group's policy is, and has always been, that no trading in financial instruments shall be undertaken.

26. FINANCIAL INSTRUMENTS

26.1. Fair values of the financial instruments

The estimated fair values of the financial assets and liabilities are equal to their fair book value in the balance sheet considering their short maturity.

26.2. Foreign currency risk

Periodically, EVS measures the group's anticipated exposure to transactional exchange risk over six months to one year.

In its current structure, the group's exposure is mainly linked to the EUR/USD risk. The group invoices all clients in euro, except the United States (in USD), while a lot of operational and fiscal expenses are libeled in USD. As a result, the group is "long" in USD, i.e. all of the group's activities generate globally a positive net cash flow in USD.

On the basis of the forecasts and according to the market conditions, the group hedges 50% of the exchange rate risk on estimated net future flows, mainly through forward foreign exchange contracts (in USD).

Foreign exchange contracts are revalued at each closing at their market value. The generated exchange rate profit or loss is recorded in the financial result.

At the end of December 2011, the group held USD 6.0 million in forward exchange contracts earmarked to hedge 50% of the future sales in dollars. The conditions of these contracts were as follows:

Sales	Currency	Maturity	Exchange rate	Forward value (EUR)	Impact of the revaluation at the fair value on Dec. 31, 2011 (EUR)
1,000,000	USD	May 9, 2012	1.4172	705,617	-67,241
1,000,000	USD	May 11, 2012	1.4010	713,776	-59,081
1,000,000	USD	September 13, 2012	1.3853	721,865	-50,992
1,000,000	USD	November 9, 2012	1.3615	734,484	-38,373
2,000,000	USD	December 17, 2012	1.3109	1,525,669	-20,045
6,000,000	USD	October 17, 2012	1.3632	4,401,411	-235,732

27. EVENTS AFTER THE BALANCE SHEET CLOSING DATE

Significant events that arose after the balance sheet date are:

- The information communicated on February 16, 2012;
- On February 16, 2012, EVS announced two major conbtracts with a Russian customer (Panorama) and a customer from its EMEA zone, for a global amount around EUR 8 millions;
- Since January 1, 2012, employees of EVS in Belgium are automatically affiliated to a second pension plan subscribed with AG Insurance. EVS contributes in this plan at a rate of 3.0% of gross annual salary. The plan has four parts: retirement plan, risk of death, disability and risk waiver insurance premiums;
- In February 2012, XDC, in which EVS owns 41.3%, acquired 100% of BEWEGTE BILDER Medien AG, company based in Germany, leading provider of services for the cinema industry.

STATUTORY AUDITOR'S REPORT

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF EVS BROADCAST EQUIPMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

In accordance with the legal requirements, we report to you on the performance of the engagement of statutory auditor which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statement.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements of EVS BROADCAST EQUIPMENT for the year ended December 31, 2011, prepared in accordance with International Financial Reporting Standards as agreed by the European Union, which show a balance sheet total of EUR 86.468(000) and a consolidated profit of EUR 32.068(000).

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institut des Réviseurs d'Entreprises / Instituut van de Bedrijfsrevisoren. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated financial statements contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the company's internal control relating to the preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have also assessed the appropriateness of the accounting principles and consolidation principles, the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statement. Finally, we have obtained from management and the company's officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements for the year ended December 31, 2011 give a true and fair view of the group's assets and liabilities, its financial position and the results of its operations and cash flow in accordance with International Financial Reporting Standards as agreed by the European Union.

Additional statement

The preparation of the consolidated Directors' report and its content are the responsibility of management.

Our responsibility is to supplement our report with the following additional statement, which do not modify our audit opinion on the consolidated financial statements:

- The consolidated Directors' report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the consolidated group is facing, and of its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our engagement.

Liège, April 11, 2012

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory Auditor
Represented by Félix FANK

BELGIAN GAAP PARENT COMPANY FINANCIAL STATEMENTS

These financial statements are related to the figures for the parent company, EVS Broadcast Equipment S.A. (Belgium). These statements are disclosed according to the short version allowed by Article 105 of the “Code des Sociétés” (company law). They are filed at the “Banque Nationale de Belgique” and are available on request at the company’s head office. They have been unconditionally attested by BDO, Auditors, represented by Félix Fank, Partner.

STATUTORY MANAGEMENT REPORT

As foreseen by the Law, the consolidated management report has been drawn up to also be used as the management report on the parent company’s financial statements. The management report on the parent company’s financial statements is therefore similar to the consolidated management report, except for the following notes:

- The parent company’s financial statements include the figures for the head office in Liege (Belgium): revenue, EUR 85,655 thousand, representing 80.1% of the consolidated amount.
- The profit of the year amounts to EUR 36,637 thousand, i.e. an increase of EUR 4,760 thousand compared to 2010. The balance sheet total amounts to EUR 95,399 thousand.
- In 2011, EVS Broadcast Ltd. (Hong Kong) paid two interim dividends to EVS for a total amount of EUR 16.0 million.
- In accordance with the article 96 of the Belgian Company, the Audit Committee is composed by independent directors. Amongst them, Christian Raskin owns sufficient competencies in accounting and audit (supported by his previous functions in the general management of Draka group).
- No event other than those reported in the consolidated management report has affected the parent company’s financial statements.

BELGIAN GAAP STATUTORY INCOME STATEMENT

(EUR thousands)	2011	2010
Operating income	89,399	91,715
A. Turnover	85,655	81,931
B. Increase (+)/decrease (-) in stocks of finished goods, work and contracts in progress	630	8,231
C. Other operating income	3,114	1,553
Operating charges	-56,653	-48,859
A. Raw materials, consumables and goods for resale	13,836	12,636
1. Purchases	16,203	15,390
2. Increase (+)/decrease (-) in stocks	-2,367	-2,755
B. Services and other goods	20,388	15,696
C. Remuneration, social security costs and pensions	17,700	16,342
D. Depreciation of and other amounts written off on formation expenses, intangible and tangible fixed assets	2,499	2,810
E. (+)/(-) in amounts written off on stock and trade debtors	1,431	943
F. (+)/(-) in provisions for liabilities and charges		-86
G. Other operating charges	799	518
Operating profit	32,746	42,856
Financial income	18,536	6,624
A. Income from financial assets	16,100	4,106
B. Income from current assets	209	274
C. Other financial income	2,227	2,243
Financial charges	2,474	3,221
A. Interest and other debt charges	475	287
B. Write-offs on current assets other than stocks, work in progress and trade receivables (+, -)	92	
C. (+)/(-) in amounts written off on current assets	1,907	2,934
Profit on ordinary activities before taxes (+, -)	48,808	46,259
Extraordinary income	2	46
Extraordinary charges	-2	
Result for the period before taxes (+, -)	48,808	46,305
Transfer from deferred taxation	28	29
Income taxes	-12,199	-14,457
Result for the period (+, -)	36,637	31,877
Transfers from not taxable reserves		
Transfers to not taxable reserves	-150	-750
Result for the period available for appropriation (+, -)	36,487	31,127
Appropriation account		
A. Result to be appropriated	36,487	31,127
1. Result for the period available for appropriation	36,487	31,127
B. Transfers from capital and reserves	-	4,874
1. From reserves	-	-4,874
C. Transfers to capital and reserves	-4,230	-
1. To other reserves	4,230	-
D. Distribution of profit	32,257	-36,001
1. Dividends	31,722	35,565
2. Other equivalents	535	436

BELGIAN GAAP STATUTORY BALANCE SHEET

ASSETS (EUR thousands)	31.12.11	31.12.10
Fixed assets	26,299	25,726
Intangible assets	451	574
Tangible assets	10,609	10,314
A. Land and buildings	7,173	7,364
B. Plant, machinery and equipment	67	87
C. Furniture and vehicles	1,174	1,329
D. Assets under construction and advance payments	2,195	1,534
Financial assets	15,239	14,838
A. Affiliated companies	3,247	2,850
1. Participating interests	2,897	2,850
2. Amounts receivable	350	
B. Other companies linked to participating interests	11,983	11,983
1. Participating interests	11,153	11,153
2. Amounts receivables	830	830
C. Other financial assets	9	5
1. Participating interests	-	-
2. Receivable and cash guarantee	-	-
Current assets	69,100	65,543
Amounts receivable after more than one year	140	260
A. Other amounts receivable	140	260
Stocks and contracts in progress	22,018	20,576
A. Stocks	13,501	11,327
1. Raw materials and consumables	9,675	7,994
2. Goods in process	-	-
3. Finished goods	3,826	3,333
B. Goods in process	8,518	9,249
Amounts receivable within one year	24,685	15,510
A. Trade debtors	20,010	15,002
B. Other amounts receivable	4,675	508
Investments	16,574	23,887
A. Treasury shares	6,915	5,253
B. Other investments and deposits	9,659	18,634
Cash at bank and in hand	4,554	4,384
Deferred charges and accrued income	1,129	926
TOTAL ASSETS	95,399	91,270

LIABILITIES (EUR thousands)	31.12.11	31.12.10
Capital and reserves	38,757	34,432
Capital	8,342	8,342
A. Issued capital	8,342	8,342
Reserves	29,946	25,566
A. Legal reserve	834	834
B. Reserves not available for distribution	6,915	5,253
1. In respect of treasury shares	6,915	5,253
C. Not taxable reserves	1,350	1,600
D. Reserves available for distribution	20,847	17,879
Investment grants	469	524
Provisions and deferred taxation	1,509	2,250
A. Provision for liabilities and charges	1,267	1,980
B. Deferred taxation	242	270
Creditors	55,133	54,587
Amounts payable after one year	4,850	9,317
A. Financial debts	841	1,107
1. Credit institutions	841	1,107
B. Other amounts payable	4,009	8,209
Amounts payable within one year	47,616	43,556
A. Current portion of amounts payable after one year	291	295
B. Financial debts	-	-
C. Trade debts	6,503	3,849
1. Suppliers	6,503	3,849
D. Advances received on orders	10,193	9,729
E. Taxes, remuneration and social security	10,537	8,167
1. Taxes	4,566	2,583
2. Remuneration and social security	5,971	5,584
F. Other amounts payable	20,092	21,516
Accrued charges and deferred income	2,667	1,715
TOTAL LIABILITIES	95,399	91,270

APPENDIX TO PARENT COMPANY FINANCIAL STATEMENTS

Capital as of December 31, 2010 EUR thousands)	Amounts	Number of shares
A. Share capital		
1. Issued capital	8,342	13,625,000
2. Structure of capital		
2.1. Different categories of shares		
Shares without face value	8,342	13,625,000
2.2. Registered shares and bearer shares		
Registered shares – as of December 31, 2011		899,133
Bearer shares – as of December 31, 2011		12,725,867
B. Treasury shares held by the company itself	6,915	183,372
C. Commitments to issue shares		
1. Following the exercise of subscription rights		
- Number of outstanding subscription rights		286,550
- Amount of capital to be issued	11,281	
- Maximum number of shares to be issued		286,550
D. Amount of authorized capital, not issued	8,300	