

Publication on November 16, 2017, before market opening
 Regulated information – Press release quarterly results
 EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVS.BR)

EVS REPORTS THIRD QUARTER 2017 RESULTS

> 3Q17 highlights

- Revenue of EUR 26.3 million, -10.7% compared to 3Q16 (excl. event rentals and at constant currency)
- Opex decrease by 4.0% compared to a high 3Q16 that included one-time elements
- EBIT margin of 21.2%
- Net profit of EUR 3.8 million, EPS of EUR 0.28

> 9M17 highlights

- Revenue of EUR 79.0 million, -15.7% compared to 9M16 (excl. event rentals and at constant currency)
- Operating expenses under control (+0.5% compared with 9M16)
- EBIT margin of 23.3%
- Net profit of EUR 12.9 million, EPS of EUR 0.95

> Gross interim dividend of EUR 0.50 per share

> Outlook

- Order book of EUR 25.2 million on October 31, 2017 (to be invoiced in 2017)
 - > +55.6% compared to 2016, -19.7% compared to 2015 (last uneven year);
- Additional order book of EUR 25.0 million for 2018 and beyond, including EUR 10.5 million of big event rentals
- Revenue in 2017 is expected to be between EUR 115 million and EUR 125 million
- Opex are expected to grow moderately in 2017

KEY FIGURES

Unaudited			EUR millions, except earnings per share expressed in EUR	Unaudited		
3Q17	3Q16	3Q17/3Q16		9M17	9M16	9M17/9M16
26.3	37.1	-29.3%	Revenue	79.0	103.8	-23.8%
18.5	28.3	-34.6%	Gross margin	56.8	78.0	-27.2%
70.5%	76.3%	-	Gross margin %	71.9%	75.2%	-
5.6	14.8	-62.2%	Operating profit – EBIT	18.4	39.7	-53.6%
21.2%	39.7%	-	Operating margin – EBIT %	23.3%	38.3%	-
3.8	10.5	-64.2%	Net profit (Group share)	12.9	28.0	-54.0%
0.28	0.78	-64.2%	Basic earnings per share (Group share)	0.95	2.07	-54.1%

COMMENTS

“While we expected higher revenue in 3Q17, we confirm our 2017 revenue guidance taking into account the existing pipeline. On the medium term, we are very pleased to see that our investments in innovation and to increase the agility of the organization are starting to bear fruits. Indeed, our new product ranges presented at the IBC tradeshow have generated strong interest from existing and new customers, and our developments around artificial intelligence are considered as pioneering by the industry”, said Muriel De Lathouwer, Managing Director and CEO of EVS.

Commenting on the results and prospects, Yvan Absil, CFO, said: “Our third quarter revenue of EUR 26.3 million reflects different dynamics in our activities, such as a continued soft environment in the US. Our third quarter has also been impacted by some contracts deliveries moving to the last quarter of the year, without changing the global dynamic. With a lower level of sales, but with operating expenses that remain under control, we posted a EBIT margin of 21.2%, and EPS amounted to EUR 0.28. The order book remains solid. For 2017, we expect revenue to be between EUR 115 million and EUR 125 million, and opex to grow moderately compared to 2016.”

Revenue in the 3Q17 and 9M17

3Q17	3Q16	%3Q17/ 3Q16	Revenue – EUR millions	9M17	9M16	% 9M17/ 9M16
26.3	37.1	-29.3%	Total reported	79.0	103.8	-23.8%
26.6	37.1	-28.4%	Total at constant currency	79.0	103.8	-23.9%
25.9	29.0	-10.7%	Total at constant currency and excluding big event rentals	77.3	91.7	-15.7%

EVS revenue amounted to EUR 26.3 million in 3Q17, a 29.3% decrease (-10.7% at constant currency and excluding big event rentals) compared to 3Q16. Sales of solutions in Outside broadcast vans represented 53.2% of the total group sales. Studio & others sales represented 44.1% of total sales, and big events represented 2.7% in 3Q17.

In 9M17, EVS revenue reached EUR 79.0 million, a decrease by 23.8% (-15.7% at constant currency and excluding the big event rentals) compared to 9M16. In the first nine months, Outside Broadcast vans represented 60.6%, Studio & others 37.2% and Big events rentals 2.2%.

Geographically, sales (excl. big event rentals) are distributed in 9M17 as follows:

- Europe, Middle-East and Africa (“EMEA”): EUR 36.9 million
- “Americas”: EUR 20.6 million
- Asia & Pacific (“APAC”): EUR 21.5 million

Third quarter 2017 results

Consolidated gross margin was 70.5% for 3Q17, compared to 76.3% in 3Q16 due to lower sales and a less favorable sales mix. Operating expenses decreased by 4.0% compared to 3Q16 that included some one-time elements in the Selling & Administrative expenses, and despite the acceleration in developments in some areas. This leads to a 3Q17 EBIT margin of 21.2%. Group net profit amounted to EUR 3.8 million in 3Q17, compared to EUR 10.5 million in 3Q16. Basic net profit per share amounted to EUR 0.28 in 3Q17, compared to EUR 0.78 in 3Q16.

First nine months 2017 results

Consolidated gross margin was 71.9% for 9M17, compared to 75.2% in 9M16 due to lower sales. Operating expenses grew by 0.5% yoy, and remain under control. The Other income mainly relates to the reversal of a debt booked for the earn out portion of the acquisition of SVS at the end of 2014 (see note 5.11). This leads to a 9M17 EBIT margin of 23.3% (21.7% excluding *other income*). Group net profit amounted to EUR 12.9 million in 9M17, compared to EUR 28.0 million in 9M16. Basic net profit per share amounted to EUR 0.95 in 9M17, compared to EUR 2.07 in 9M16.

Staff

At the end of September 2017, EVS employed 482 people (FTE), compared to 481 at the end of 2016.

Balance sheet and cash flow statement

Total equity represented 68.9% of total balance sheet at the end of September 2017. Inventories amounted to EUR 15.3 million, including around EUR 3.0 million value of own equipment used for R&D and demos of EVS products. In the liabilities, provisions include mainly the provision for technical warranty on EVS products for labor and parts.

Lands and building mainly include the new headquarters in Liège. Depreciation is approximately EUR 2.1 million on a full year basis. Liabilities include EUR 16.2 million financial debt (including long term and short term portion of it), mainly relating to the new building. The company started to repay it in 2015 with installment of around EUR 5.2 million reimbursement per year.

The net cash from operating activities amounted to EUR 2.0 million in 9M17, mainly due to lower sales and the timing of tax payments in 2017. On September 30, 2017, the group balance sheet showed EUR 40.0 million in cash and cash equivalents.

At the end of September 2017, there were 13,625,000 EVS outstanding shares, of which 105,771 were owned by the company. At the same date, 197,100 warrants were outstanding with an average strike price of EUR 41.16 and an average maturity in September 2018.

Interim dividend

Given the solid balance sheet of the company, the Board of Directors has decided to pay an interim gross dividend of EUR 0.50 per share (or EUR 0.35 net per share after deduction of 30% withholding tax). The ex-date for Coupon # 25 is November 28, 2017, and the payment date is November 30, 2017.

2017 outlook

The order book (to be invoiced in 2017) on October 31, 2017 amounts to EUR 25.2 million, which is +55.6% compared to EUR 16.2 million last year, or -19.7% compared to 2015 (last uneven year).

In addition to this order book to be invoiced in 2017, EVS already has EUR 25.0 million of orders (including EUR 10.5 million of big event rentals) to be invoiced in 2018 and beyond.

Considering the 9M17 revenue and taking into account the existing pipeline, we confirm the guidance of 2017 revenue in the EUR 115 million to EUR 125 million range for 2017, with no major big sporting event. We also forecast a moderate increase of our operating expenses to sustain our efforts in innovation and acceleration of new product developments.

Conference call

EVS will hold a conference call in English today at 3:00 pm CET for financial analysts and institutional investors. Other interested parties may join the call in a listen-only mode. The presentation used during the conference call will be available shortly before the call on the EVS website.

Dial-in numbers: +44 (0)20 7162 9960 (United Kingdom), +32 (0)2 290 17 04 (Belgium), +1 646 851 2094 (United States)
Conference call ID: 963130

Corporate Calendar:

Tuesday November 28, 2017: interim dividend: ex-date
Wednesday November 29, 2017: interim dividend: record date
Thursday November 30, 2017: interim dividend: payment date
Thursday February 22, 2018: FY17 results
Wednesday May 9, 2018: 1Q18 results
Tuesday May 15, 2018: Ordinary General Meeting
Thursday August 30, 2018: 2Q18 results
Thursday November 15, 2018: 3Q18 results

For more information, please contact:

Yvan ABSIL, CFO
Geoffroy d'OULTREMONT, Vice President Investor Relations & Corporate Communication
EVS Broadcast Equipment S.A., Liege Science Park, 13 rue du Bois Saint-Jean, B-4102 Seraing, Belgium
Tel: +32 4 361 70 14. E-mail: corpcom@evs.com; www.evs.com

Forward Looking Statements

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

About EVS

EVS provides its customers with reliable and innovative technology to enable the production of live, enriched video programming, allowing them to work more efficiently and boost their revenue streams. Its industry-leading broadcast and media production systems are used by broadcasters, production companies, post-production facilities, film studios, content owners and archive libraries around the globe. It spans four key markets – Sports, Entertainment, News and Media. Founded in 1994, its innovative Live Slow Motion system revolutionized live broadcasting. Its reliable and integrated tapeless solutions, based around its market-leading XT server range, are now widely used to deliver live productions worldwide. Today, it continues to develop practical innovations, such as its C-Cast second-screen delivery platform, to help customers maximize the value of their media content. The company is headquartered in Belgium and has 20 offices in Europe, the Middle East, Asia and North America. Around 500 EVS professionals sell its branded products in over 100 countries, and provide customer support globally. EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371. For more information, please visit www.evs.com.

Condensed consolidated financial statements

ANNEX 1: CONDENSED CONSOLIDATED INCOME STATEMENT

(EUR thousands)		9M17	9M16	3Q17	3Q16
	Annex	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	5.3	79,045	103,776	26,254	37,138
Cost of sales		-22,233	-25,761	-7,736	-8,809
Gross profit		56,812	78,015	18,518	28,328
Gross margin %		71.9%	75.2%	70.5%	76.3%
Selling and administrative expenses		-20,322	-21,076	-6,640	-7,192
Research and development expenses		-18,450	-17,500	-6,233	-6,221
Other income		1,293	1,091	38	22
Other expenses		-333	-328	-95	-134
Stock based compensation and ESOP plan		-579	-506	-15	-43
Operating profit (EBIT)		18,419	39,695	5,573	14,760
Operating margin (EBIT) %		23.3%	38.3%	21.2%	39.7%
Interest revenue on loans and deposits		38	5	27	-1
Interest charges		-292	-360	-117	-88
Other net financial income / (expenses)	5.6	-408	-499	79	9
Share in the result of the enterprise accounted for using the equity method		93	84	37	22
Profit before taxes (PBT)		17,850	38,924	5,600	14,702
Income taxes	5.7	-4,990	-10,951	-1,834	-4,195
Net profit		12,860	27,972	3,766	10,507
Attributable to :					
Non controlling interest					
Equity holders of the parent company		12,860	27,972	3,766	10,507
EARNINGS PER SHARE (in number of shares and in EUR)		9M17	9M16	3Q17	3Q16
		Unaudited	Unaudited	Unaudited	Unaudited
Weighted average number of subscribed shares for the period less treasury shares		13,512,640	13,500,447	13,519,229	13,505,889
Weighted average fully diluted number of shares		13,719,954	13,751,342	13,721,733	13,742,694
Basic earnings – share of the group		0.95	2.07	0.28	0.78
Fully diluted earnings – share of the group ⁽¹⁾		0.94	2.03	0.27	0.76
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
(EUR thousands)		9M17	9M16	3Q17	3Q16
		Unaudited	Unaudited	Unaudited	Unaudited
Net profit		12,860	27,972	3,763	10,507
Other comprehensive income of the period					
Currency translation differences		-726	-124	-212	-29
Other increase/(decrease)		-447	-81	2	288
Total of recyclable elements		-1,173	-205	-210	259
Total comprehensive income for the period		11,687	27,767	3,553	10,766
Attributable to :					
Non controlling interest		-	-	-	-
Group share		11,687	27,767	3,553	10,766

(1) Excluding 197,100 warrants that were not exercisable at the end of September 2017, fully diluted earnings per share in 9M17 would have been EUR 0.95.

**ANNEX 2: CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)**

ASSETS (EUR thousands)	Notes	Sept. 30, 2017 Unaudited	Dec 31, 2016 Audited
Non-current assets :			
Goodwill		1,125	1,125
Other intangible assets		290	386
Lands and buildings	5.11	46,392	46,843
Other tangible assets		2,957	3,358
Investment accounted for using equity method		1,092	954
Other amounts receivables		289	2,216
Deferred tax assets		2,158	4,090
Financial assets		3,389	341
Total non-current assets		57,692	59,314
Current assets :			
Inventories		15,303	13,549
Trade receivables		23,877	24,882
Other amounts receivable, deferred charges and accrued income		3,793	3,364
Financial assets		1,521	2,003
Cash and cash equivalents		39,982	53,150
Total current assets		84,476	96,947
Non-current assets classified as held for sale	5.11	4,016	4,016
Total assets		146,185	160,276

EQUITY AND LIABILITIES (EUR thousands)	Notes	Sept. 30, 2017 Unaudited	Dec 31, 2016 Audited
Equity :			
Capital			
Reserves		96,154	92,611
Interim dividends	5.5	-	-
Final dividend	5.5	-	-
Treasury shares		-4,038	-4,548
Total consolidated reserves		92,116	88,064
Translation differences		314	1,040
Equity, share of the group		100,773	97,446
Non-controlling interest		-	-
Total equity	4	100,773	97,446
Non-current liabilities			
Provisions		1,214	1,120
Deferred taxes liabilities		-	-
Financial debts	5.11	10,988	14,550
Other debts	5.11	90	1,241
Total non-current liabilities		12,291	16,911
Current liabilities			
Financial debts	5.11	5,250	5,250
Trade payables		4,911	3,722
Amounts payable regarding remuneration and social security		8,118	8,856
Income tax payable		6,641	17,067
Other amounts payable, advances received, accrued charges and deferred income		8,201	11,025
Total current liabilities		33,121	45,919
Total equity and liabilities		146,185	160,276

ANNEX 3: CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Notes	9M17 Unaudited	9M16 Unaudited
Cash flows from operating activities		
Net profit, group share	12,860	27,972
Adjustment for:		
-Other comprehensive income and other income	-663	418
- Depreciation and write-offs on fixed assets	2,463	2,325
- Stock based compensation and ESOP	4 579	506
- Provisions	94	259
- Income tax expenses	4,990	10,951
- Interests expense (+) / Income (-)	662	854
- Share of the result of entities accounted for under the equity method	-93	-84
Adjustment for changes in working capital items:		
-Inventories	-1,754	37
-Trade receivables	1,005	6,006
-Other amounts receivable, deferred charges and accrued income	-376	-139
-Trade payables	1,189	-663
-Amounts payable regarding remuneration and social security	-751	-693
-Other amounts payable, advances received, accrued charges and deferred income	-3,570	-25
<i>Cash generated from operations</i>	<i>16,634</i>	<i>47,147</i>
Income taxes paid	5.7 -14,681	-6,316
Net cash from operating activities	1,953	40,831
Cash flows from investing activities		
Purchase of intangible assets	-6	-144
Purchase of tangible assets (lands and building and other tangible assets)	-1,601	279
Disposal of tangible assets	63	-
Other financial assets	94	-8
Net cash used in investing activities	-1,450	127
Cash flows from financing activities		
Reimbursement of borrowings	5.11 -3,563	-6,200
Proceeds from new borrowings	5.11 -	-
Interests paid	-700	-360
Interests received	38	-
Dividend received from investee	-	-
Dividend paid - interim dividend	-	-
Dividend paid - final dividend	-9,446	-6,753
Net cash used in financing activities	-13,671	-13,313
Cash and cash equivalents at beginning of period	53,150	22,572
Cash and cash equivalents at end of period	39,982	50,217

ANNEX 4: CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the group	Non controlling interest	Total equity
Balance as per December 31, 2015	8,342	73,953	-4,960	816	78,151	6	78,157
Total comprehensive income for the period		27,891		-125	27,766		27,766
Business combination					-		-
Share-based payments		506	412		918		918
Final dividend		-6,753			-6,753		-6,753
Interim dividend					-		-
Balance as per September 30, 2016	8,342	95,597	-4,548	691	100,084	6	100,089

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the group	Non-controlling interest	Total equity
Balance as per December 31, 2016	8,342	92,610	-4,548	1,040	97,445	-	97,445
Total comprehensive income for the period		12,413		-726	11,687		11,687
Business combination					-		-
Share-based payments		579			579		579
Operations with treasury shares			509		509		509
Final dividend		-9,446			-9,446		-9,446
Interim dividend					-		-
Balance as per September 30, 2017	8,342	96,154	-4,038	314	100,773	-	100,773

ANNEX 5: NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5.1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of EVS Group for the 9 month-period ended September 30, 2017, are established and presented in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union. The accounting framework and standards adopted by the European Commission can be accessed through the following link on the website: http://ec.europa.eu/finance/company-reporting/index_en.htm.

NOTE 5.2: SIGNIFICANT ACCOUNTING POLICIES AND METHODS

The accounting policies and methods adopted for the preparation of the Company's IFRS consolidated financial statements are consistent with those applied in the 2016 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the 2016 annual report on www.evs.com, and in the first half financial report.

NOTE 5.3: SEGMENT REPORTING

3.1. Information on revenue by destination

Revenue can be presented by destination: Outside broadcast vans, Studio & others and Big sporting event rentals. Maintenance and after sale service are included in the complete solution proposed to the clients.

3Q17	3Q16	% 3Q17/ 3Q16	Revenue (EUR thousands)	9M17	9M16	% 9M17/ 9M16
13,953	16,523	-15.6%	Outside broadcast vans	47,930	53,829	-11.0%
11,580	12,437	-6.9%	Studio & others	29,385	37,855	-22.4%
721	8,178	-91.2%	Big sporting event rentals	1,730	12,091	-85.7%
26,254	37,138	-29.3%	Total Revenue	79,045	103,776	-23.8%

3.2. Information on revenue by geographical information

Activities are divided by three regions: Asia-Pacific ("APAC"), Europe, Middle East and Africa ("EMEA"), and "Americas". Aside of them, we also identify the "big event rentals".

3.2.1. Revenue

Revenue for the quarter (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
3Q17 revenue	5,594	13,520	6,419	721	26,254
Evolution versus 3Q16 (%)	-15.5%	-10.4%	-11.5%	-91.2%	-29.3%
Variation versus 3Q16 (%) at constant currency	-15.5%	-10.4%	-6.9%	-91.2%	-28.4%
3Q16 revenue	6,619	15,092	7,249	8,178	37,138

YTD Revenue (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
9M17 revenue	20,860	35,826	20,629	1,730	79,045
Evolution versus 9M16 (%)	-5.4%	-3.6%	-26.5%	-85.7%	-23.8%
Variation versus 9M16 (%) at constant currency	-5.4%	-3.6%	-36.6%	-85.7%	-23.9%
9M16 revenue	22,060	37,152	32,473	12,091	103,776

Sales realized in Belgium (the country of origin of the company) with external clients represent less than 5% of the total sales in the period. In the last 12 months, the group realized significant sales to external clients (according to the definition of IFRS 8) in one country: the US (Americas, EUR 21.9 million in the last 12 months).

3.2.2. Long term assets

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

3.3. Information on revenue by nature

Revenue can be presented by nature: systems and services.

3Q17	3Q16	% 3Q17/ 3Q16	Revenue (EUR thousands)	9M17	9M16	% 9M17/ 9M16
23,619	34,229	-31.0%	Systems	71,310	95,674	-25.5%
2,635	2,908	-9.4%	Services	7,735	8,102	-4.5%
26,254	37,138	-29.3%	Total Revenue	79,045	103,776	-23.8%

Services include advices, installations, project management, training, maintenance, distant support that are recognized as revenue.

3.4. Information on important clients

Over the last 12 months, no external client of the company represented more than 10% of the revenue over the last 12 months.

3.5 Other income and assets held for sale

Assets held for sale as at September 30, 2017 represent an amount of EUR 4.0 million and relates to buildings which were occupied by the Company before it moved its headquarters at its current location. Such buildings are classified among assets held for sale for more than twelve months but EVS remains committed to its plan to sell the buildings. Accordingly, these buildings are still classified as assets held for sale. As per information available at this stage, there is no indication of impairment for these buildings.

NOTE 5.4: EQUITY SECURITIES

The number of treasury shares has changed as follows during the period, together with the outstanding warrants:

	2017	2016
Number of own shares at January 1	119,111	129,917
Acquisition of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-13,090	-10,806
Sales related to Employee Stock Option Plan (ESOP) and other transactions	-250	-
Number of own shares at September 30	105,771	119,111
Outstanding warrants at September 30	197,100	227,650

In 9M17, the company did not repurchase any share on the stock market. 250 shares were used to satisfy the exercise of warrants by employees. The Ordinary General Meeting of shareholders of May 16, 2017 approved the allocation of 13,090 shares to EVS employees (grant of 43 shares to each staff member in proportion to their effective or assimilated time of occupation in 2016) as a reward for their contribution to the group successes. At the end of September 2017, the company owned 105,771 own shares at an average historical price of EUR 38.18. At the same date, 197,100 warrants were outstanding (no grant, 250 exercises and 13,700 cancellation in 9M17) with an average strike price of EUR 41.16 and an average maturity of September 2018.

NOTE 5.5: DIVIDENDS

The Ordinary General Meeting of May 16, 2017 approved the payment of a total gross dividend of EUR 1.30 per share, including the interim dividend of EUR 0.60 per share paid in November 2016, leading to a final gross dividend of EUR 0.70 per share, for digital coupon # 24, ex-date May 22 and pay date May 24.

The Board of Directors of November 14, 2017 has decided to pay an interim gross dividend of EUR 0.50 per share (EUR 0.35 per share after 30% withholding tax) for the fiscal year 2017 with November 28 as ex-date, November 29 as record date and November 30 as payment date.

(EUR thousands)	# Coupon	2017	2016
- Final dividend for 2015 (EUR 0.50 per share less treasury shares)	22	-	6,753
- Interim dividend for 2016 (EUR 0.60 per share less treasury shares)	23	-	8,104
- Final dividend for 2016 (EUR 0.70 per share less treasury shares)	24	9,446	-
- Interim dividend for 2017 (EUR 0.50 per share less treasury shares)	25	6,760	-
Total paid dividends		16,206	14,857

NOTE 5.6: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	9M17	9M16
Exchange results from statutory accounts	418	-383
Exchange results relating to IFRS consolidation methodology	-817	-215
Other financial results	-9	99
Other net financial income / (expenses)	-408	-499

The functional currency of EVS Broadcast Equipment S.A. as well as all of the subsidiaries is the euro, except for the American EVS Inc. subsidiary, whose functional currency is the US dollar. The presentation currency of the consolidated financial statements of EVS Group is the euro. For more information on exchange rates, see also the annex 5.9.

NOTE 5.7: INCOME TAX

Reconciliation of the tax charge

The effective tax charge of the group obtained by applying the effective tax rate to the pre-tax profit of the group, has been reconciled for the two periods with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	9M17	9M16
Reconciliation between the effective tax rate and the theoretical tax rate		
Reported profit before taxes, share in the result of the enterp. accounted for using the equity method	17,757	38,840
Reported tax charge based on the effective tax rate	-4,990	-10,951
Effective tax rate	28.1%	28.2%
Reconciliation items for the theoretical tax charge		
Tax effect of the reversal of a debt	-391	-
Tax effect of deduction for notional interests	-32	-119
Tax effect of non-deductible expenditures	271	229
Tax effect due to the carry-over taxation for gains on building disposals	-	-306
Tax effect on R&D investment deductions	-984	-873
Tax effect of overvaluations and undervaluations related to prior years	342	-
Other increase / (decrease)	256	446
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-5,528	-11,574
Theoretical tax rate	31.1%	29.8%

NOTE 5.8: HEADCOUNT

(in full time equivalents)	At September 30	Nine-months average
2017	482	479
2016	482	482
Variation	-	-0.6%

NOTE 5.9: EXCHANGE RATES

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

Exchange rate EUR/USD	Average 9M	Average 3Q	At September 30
2017	1.1140	1.1746	1.1806
2016	1.1162	1.1166	1.1161
Variation	+0.2%	-4.9%	-5.5%

For 3Q17, the average US dollar exchange rate against the Euro decreased by 4.9%. It had a negative impact on 3Q17 revenue of EUR 0.3 million, or 0.9%.

NOTE 5.10: FINANCIAL INSTRUMENTS

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

Periodically, EVS measures the group's anticipated exposure to transactional exchange risk over one year, mainly relating to the EUR/USD risk. Given the group has a "long" position in USD and based on sales forecasts, EVS hedges future USD net in-flows by forward foreign exchange contracts. The relevant hedging results are booked as financial results. On September 30, 2017, the group held USD 8.0 million in hedging contracts, with an ultimate maturity date of May 2018, and an average exchange rate of EUR/USD of 1.1400.

NOTE 5.11: FINANCIAL DEBT

In order to partially finance its new HQ and operating facilities, EVS has drawn down a total of EUR 30 million loans. EVS already started to pay these loans down, and will gradually do so until 2020. In 2017, EUR 5.2 million will be reimbursed, of which EUR 3.6 million were paid in 9M17.

At the end of 2014, EVS acquired the remaining 75% of SVS it did not own for an amount of EUR 1.0 million paid in cash. There was also a possible future earn out based on the performance over the 2015-2020 period (EUR 1.2 million on the EVS balance sheet in other long-term debt). In 2017, in order to speed up the expansion of Dyvi, EVS appointed of a dedicated Product Manager for this product line and accelerated some functionality developments. The business plan was updated to take into account the past results of this entity and the future prospects. This resulted in the confirmation of the goodwill associated with the acquisition of SVS in 2014, but also highlighted that, despite the current dynamic momentum and the positive prospects of the product line, the thresholds associated with the possible earn out would not be reached by 2020. As a consequence, this long-term debt has been reversed, and a one-time gain has been recorded in the P&L in 2Q17.

NOTE 5.12: PENSION PLANS

The employees of EVS Broadcast Equipment SA benefit from a group insurance. In this context, EVS makes a contribution for each employee to the insurance companies. EVS benefits from a minimum return guaranteed by the insurance companies which set up the plans, and this until December 31, 2016 (minimum return requirement of the contributions, as required by law).

However, on December 18, 2015, the Belgian legislation has been updated and clarification was provided on the minimum guaranteed rate of return. Before December 31, 2015, the minimum guaranteed rate of return on employer and participant contributions were 3.25% and 3.75% respectively. From 2016 onwards, the rate decreased to 1.75% and is annually recalculated based on a risk free rate of 10-year government bonds. According to IAS19, Belgian-defined contribution plans that guarantee a specified return on contributions should be assimilated to defined benefit plans, as the employer is not responsible for the contribution payments, but has to cover the investment risk until the legal minimum rates applicable. The returns guaranteed by the insurance companies are in most cases lower than or equal to the minimum return guaranteed by law. As a result, the Group has not fully hedged its return risk through an insurance contract and a provision needs to be accounted for. The plans at EVS are financed through group insurance contracts. The contracts are benefiting from a contractual interest rate granted by the insurance company. When there is underfunding, this will be covered by the financing fund and in case this is insufficient, additional employer contributions will be requested.

This analysis will be done annually and recognized in the profit and loss account, if necessary. More information can be found in the note 6.4 of the 2016 annual report.

NOTE 5.13 SUBSEQUENT EVENTS

There was no subsequent event that may have a material impact on the balance sheet or income statement of EVS.

NOTE 5.14: RISK AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2017 are similar to the risks and uncertainties that have been identified by the management of the company and that are listed in the management report of the annual report (available at www.evs.com).

NOTE 5.15: CONFLICTS OF INTEREST – RELATED PARTIES TRANSACTIONS

During the period under review, there was no conflict of interest according to the specific procedure provided for under Articles 523 and 524 of Company Law ("Code des Sociétés").

There were no related party transactions.

There were no changes in the related parties' transactions as described in the last management report ("rapport de gestion").

Certification of responsible persons

Muriel De Lathouwer, Managing Director & CEO
Yvan Absil, CFO

Certify that, based on their knowledge,

- a) the condensed financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, fairly present in all material respects the financial condition and results of operations of the issuer and the companies included in the consolidation,
- b) the Directors' report fairly presents the important events and related parties transactions of first nine months of 2017, including their impact on the condensed financial statements, and a description of the existing risks and uncertainties for the remaining months of the fiscal year.