Press Release

- Consolidated sales of CHF 86.8 million virtually unchanged compared to the first quarter of 2011 (CHF 86.7 million) due to the depreciation of the euro
- Consolidated net profit for the period of CHF 7.7 million (CHF 9.9 million) in line with planning; earnings per share of CHF 0.17 (CHF 0.20)
- Net debt further reduced by CHF 9.1 million to CHF 54.4 million
- Forecast for 2012 confirmed

Q1 2012: Highlight Group concludes first quarter in line with expectations

Pratteln, May 23, 2012

In the first three months of 2012, the financial performance of the Highlight Group continued to be influenced by the appreciation of the Swiss franc, although results were in line with expectations.

At CHF 86.8 million, consolidated sales remained at the same level as in the first quarter of 2011 (CHF 86.7 million), largely as a result of the exchange rate impact. In contrast, consolidated operating expenses rose by CHF 7.3 million to CHF 94.1 million. Consequently, the profit from operations fell from CHF 14.4 million to CHF 10.1 million year-on-year. The same applies to consolidated net profit, which totaled CHF 7.7 million (previous year's period: CHF 9.9 million). Based on the number of shares outstanding, earnings per share amounted to CHF 0.17 (previous year's period: CHF 0.20).

External sales of the Film segment increased from CHF 63.6 million to CHF 64.3 million and other segment income rose from CHF 13.2 million to CHF 17.0 million. At the same time, segment expenses climbed to CHF 79.8 million (previous year's period: CHF 71.6 million), particularly as a result of higher amortization and depreciation as well as greater cost of materials and licenses. Furthermore, it should be noted that on the one hand the previous year's figures had been positively impacted by extraordinary effects, while on the other hand there was less TV license income in the first quarter of 2012. In line with the exploitation cycles, this income will not be generated until the second quarter. Accordingly, segment earnings declined from CHF 5.2 million in the first quarter of 2011 to currently CHF 1.6 million.

Primarily as a result of the depreciation of the euro against the Swiss franc, external sales of the Sports- and Event-Marketing segment declined by 5.6% to CHF 21.8 million (previous year's period: CHF 23.1 million). However, thanks to a significant reduction in segment expenses of CHF 2.4 million to CHF 11.7 million, sales losses were offset, thereby leaving segment earnings stable year-on-year at CHF 10.5 million (CHF 10.4 million).

The Other Business Activities segment, formed effective July 1, 2011, generated external sales of CHF 0.6 million and other income of CHF 0.3 million. After deducting segment expenses of CHF 1.5 million, the segment posted a loss of CHF 0.6 million.

As of the end of the first quarter of 2012, the Highlight Group had cash and cash equivalents of CHF 168.8 million – an increase of CHF 28.1 million as against the end of 2011 (CHF 140.7 million). This figure was offset by financial liabilities of CHF 223.2 million (December 31, 2011: CHF 204.2 million). Accordingly, net debt was reduced by a further CHF 9.1 million to CHF 54.4 million.

Consolidated equity (including non-controlling interests) rose by CHF 10.4 million to CHF 106.4 million as against the end of 2011 (CHF 96.0 million). The increase essentially resulted from the net profit for the period of CHF 7.7 million.

Assuming that exchange rates remain roughly stable, the Highlight Group still expects to generate consolidated sales for 2012 as a whole of between CHF 370 million and CHF 390 million and earnings per share of EUR 0.42 to EUR 0.44.

The German interim report as of March 31, 2012 is available for downloading from the company's website www.highlight-communications.ch as of today. The English version will be available as of May 25, 2012.

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