



## ***Press Release***

- Consolidated sales of CHF 156.4 million slightly below the level of the first half of 2012, as expected
- Consolidated net profit at CHF 4.4 million

### **Q2 2013: Highlight Group in line with planning after six months**

Pratteln, August 13, 2013

In the first half of 2013, the Highlight Group generated sales and earnings in line with the expectations for the current year.

The Film segment generated external sales of CHF 130.7 million, up 9.8% as against the first half of 2012 (CHF 119.0 million). Sales in the first half of 2013 were marked by the theatrical hits “The Famous Five 2”, “Ostwind” and “Scary Movie 5”, strong sales figures in home entertainment exploitation, and a stable positive development in the TV service production business area. Segment expenses rose by 19.1% to CHF 188.6 million, particularly due to the considerably higher cost of materials and licenses in connection with productions. Segment earnings for the first half of the year amounted to CHF 1.6 million. The company does not expect significant earnings contributions for the year as a whole until the third and fourth quarters, depending on audience figures for the major releases.

External sales of the Sports- and Event-Marketing segment at CHF 24.0 million were below the figure for the first half of 2012, as expected. This decline was due essentially to changes in the business relationship with UEFA, including handing over match organization to UEFA. As a result of the targeted reduction of segment expenses by CHF 8.6 million to CHF 15.2 million, a segment result of CHF 8.8 million was generated. As expected, this was lower than the previous year's figure but approximately at a similar level to the two previous quarters as planned.

The Other Business Activities segment generated external sales of CHF 1.6 million (previous year's period: CHF 1.8 million) and other income of CHF 0.5 million (previous year's period: CHF 0.9 million). After deducting expenses of CHF 3.5 million (previous year's period: CHF 4.1 million), the segment posted a loss for the first half of 2013 of CHF 1.4 million (previous year's period: CHF 1.5 million).

As expected, the Highlight Group's consolidated sales were down slightly at CHF 156.4 million as compared to the previous year's figure of CHF 163.6 million. By contrast, a significantly higher production volume resulted in a CHF 24.0 million increase in capitalized film production costs and other own work capitalized to CHF 49.7 million (previous year's period: CHF 25.7 million). The Highlight Group's total output therefore rose from CHF 189.3 million to CHF 206.1 million.

Consolidated operating expenses posted a production-related increase from CHF 188.7 million to CHF 209.9 million. As a result of the change in the contract situation with UEFA and the pending theatrical releases, the profit from operations of CHF 5.9 million was in line with planning. The consolidated net profit amounted to CHF 4.4 million, of which CHF 4.2 million was attributable to Highlight's shareholders.



Based on the good operational prospects in the second half of the year, particularly in view of the major international releases of “The Mortal Instruments: City of Bones” and “Tarzan (3D)”, the German Bora Dagtekin comedy “Fack ju Göhte” as well as “Walking with Dinosaurs” and the DreamWorks production “The Fifth Estate”, the Highlight Group continues to anticipate consolidated sales of between CHF 350 million and CHF 400 million for 2013 as a whole. The amount of consolidated net profit will largely depend on the results of the theatrical slate in the third and fourth quarters.

The German interim report as of June 30, 2013 will be available to download at [www.highlight-communications.ch](http://www.highlight-communications.ch) starting from this evening, and the English version from August 20, 2013.

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