



## PRESS RELEASE

### Highlight Group increases consolidated net profit for the period by 75% in fiscal year 2014 and exceeds the guidance

- Consolidated sales rose by 6.8% to CHF 412.6 million
- EBIT improved by 56.8% from CHF 18.5 million to CHF 29.0 million, consolidated net profit for the period rose by 75.7% from CHF 10.3 million to CHF 18.1 million
- Earnings per share increased from CHF 0.21 to CHF 0.37 CHF
- For 2015, consolidated net profit for the period attributable to shareholders of between CHF 14 million and CHF 16 million expected

**Pratteln, March 19, 2015** - The business performance of the Highlight Group in 2014 was very positive overall. The forecast earnings corridor, which had already been raised to between CHF 12 million and CHF 14 million (previously: between CHF 9 million and CHF 11 million) in the ad-hoc disclosure of November 7, 2014, was thus significantly exceeded.

#### Group development in fiscal year 2014

- Consolidated sales rose year-on-year by 6.8% to CHF 412.6 million (previous year's period: CHF 386.2 million) and were therefore higher than the guidance figure of between CHF 380 million and CHF 410 million.
- EBIT increased by 56.8% to CHF 29.0 million (previous year's period: CHF 18.5 million) and consolidated net profit for the period rose by 75.7% to CHF 18.1 million (previous year's period: CHF 10.3 million).
- The same applies to earnings per share, which were up 76.2% year-on-year at CHF 0.37 (2013: CHF 0.21) and were also considerably higher than the forecast of CHF 0.27 to CHF 0.31.
- The equity ratio improved by more than five percentage points to 29.6% as of the end of 2014 (December 31, 2013: 24.2%).
- Net debt declined from CHF 107.7 million to CHF 36.5 million, resulting in gearing (net debt in relation to equity) decreasing from 100.5% to 34.1%.

#### Development of the operating segments in 2014

- In the **Film segment**, the theatrical success of "Fack Ju Göhte" also carried over to home entertainment exploitation. The movie achieved outstanding sales and rental figures on both the physical and the electronic market, which was reflected in considerably higher sales in comparison to the previous year. In the TV service production business area, the market situation eased slightly in 2014, allowing the subsidiaries of Constantin Film AG to implement numerous productions. The strongest selling title was the Constantin Film own production "Pompeii", which performed very successfully internationally. High audience figures on the domestic market were achieved by the comedy "Männerhort" and the youth adventure "The Famous Five 3" attracting just under 1.2 million moviegoers each. In addition, "Fack Ju Göhte" again pulled in more than 1.7 million moviegoers in 2014.



As a result of these developments, the Film segment generated external sales of CHF 359.1 million in the year under review, thus exceeding the previous year's figure (CHF 333.6 million) by 7.6%. Segment expenses fell by 7.3% to CHF 403.4 million (previous year's period: CHF 435.2 million), with the result that segment earnings improved by 63.9% to CHF 13.6 million (previous year's period: CHF 8.3 million).

- In the **Sports- and Event-Marketing segment**, activities of the marketing company TEAM centered on the marketing process for the commercial rights of the UEFA Champions League and the UEFA Europa League (for the 2015/16 to 2017/18 seasons respectively). In a difficult market environment, significant progress was made and numerous TV contracts for both competitions were concluded worldwide. Negotiations on sponsorship rights were also successfully advanced.

The segment's external sales were therefore up slightly year-on-year at CHF 49.9 million (previous year's period: CHF 48.9 million). Segment expenses also remained at the previous year's level at CHF 29.5 million (previous year's period: CHF 29.4 million), while other income climbed by CHF 1.6 million to CHF 2.0 million (previous year's period: CHF 0.4 million). Consequently, segment earnings also increased by 12.6% from CHF 19.9 million to CHF 22.4 million.

- In the **Other Business Activities segment**, Highlight Event AG successfully implemented the major annual events Eurovision Song Contest, the New Year's Day Concert and the Summer Night Concert of the Vienna Philharmonic Orchestra. The same applies to the "Eurovision Young Musicians" project, which was managed for the first time and in which the Vienna Philharmonic Orchestra was involved in the activities for the European Broadcasting Union (EBU).

External sales in the Other Business Activities segment were down slightly year-on-year at CHF 3.5 million (CHF 3.7 million). By contrast, segment expenses were reduced considerably by CHF 3.7 million to CHF 6.0 million. The segment loss that resulted – as in the previous year – from online/social gaming therefore decreased by 60.4% from CHF 4.8 million to CHF 1.9 million.

## Targets for fiscal year 2015

For the current fiscal year, the Highlight Group is expecting consolidated sales of CHF 310 million to CHF 330 million and a consolidated net profit for the period attributable to shareholders of CHF 14 million to CHF 16 million. The sales forecast is lower than in the previous year. This is the result of a cautious estimate of the EUR/CHF exchange rate as well as the fact that no international in-house productions in the Film segment are planned in 2015. Key items in the movie slate for the current year are the promising Constantin Film own-/co-productions "The Fantastic Four", "Ostwind 2" and "Fack Ju Göhte 2".

As in the previous years, the Board of Directors of Highlight Communications AG will propose the distribution of a dividend of CHF 0.17 per entitled share for fiscal year 2014 at the Annual General Meeting.

The ordinary Annual General Meeting for fiscal year 2014 will take place at the Hotel Courtyard by Marriott in Pratteln on June 12, 2015.

The German annual report for 2014 will be available for download at [www.highlight-communications.ch](http://www.highlight-communications.ch) starting from today, and the English version from March 27, 2015.



## Highlight Group at a glance

Group figures according to IFRS

<b>in CHF million</b>	<b>2014</b>	<b>2013</b>	<b>Change in %</b>
Sales	412.6	386.2	6.8
EBIT	29.0	18.5	56.8
<b>Net profit for the period</b>	<b>18.1</b>	<b>10.3</b>	<b>75.7</b>
Net profit attributable to shareholders	16.7	9.7	72.2
Earnings per share (CHF)	0.37	0.21	76.2
<b>Segment sales</b>			
Film	359.1	333.6	7.6
Sports- and Event-Marketing	49.9	48.9	2.0
Other Business Activities	3.5	3.7	-5.4
<b>Segment result</b>			
Film	13.6	8.3	63.9
Sports- and Event-Marketing	22.4	19.9	12.6
Other Business Activities	-1.9	-4.8	60.4
<b>in CHF million</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>	<b>Change in %</b>
<b>Balance sheet total</b>	<b>361.6</b>	<b>443.3</b>	<b>-18.4</b>
Equity	106.9	107.2	-0.3
Equity ratio (%)	29.6	24.2	5.4 points
Current financial liabilities	81.3	152.0	-46.5
Cash and cash equivalents	44.8	44.3	1.1

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