



PRESS RELEASE

Highlight Group increases sales and earnings in fiscal year 2016

- **Consolidated sales rose significantly by 27.6% to CHF 441.7 million**
- **EBIT improved by 15.1% to CHF 35.8 million**
- **At CHF 19.7 million, consolidated net profit attributable to shareholders at the upper end of the forecast**
- **Earnings per share increased by 17.9% to CHF 0.46 CHF**

Pratteln, April 5, 2017 - The business performance of the Highlight Group was highly positive overall in 2016.

Group development in fiscal year 2016

- Consolidated sales rose by 27.6% to CHF 441.7 million year-on-year (2015: CHF 346.1 million) and were therefore higher than the target figure of between CHF 410 and CHF 430 million.
- EBIT increased by 15.1% to CHF 35.8 million (2015: CHF 31.1 million) and consolidated net profit attributable to shareholders rose by 12.6% to CHF 19.7 million (2015: CHF 17.5 million).
- The same applies to earnings per share, which were up 17.9% year-on-year at CHF 0.46 (2015: CHF 0.39).
- The equity ratio improved by 14 percentage points to 36.7% as of the end of 2016 (December 31, 2015: 22.7%).
- Net liquidity rose significantly by CHF 34.1 million to CHF 36.2 million (December 31, 2015: CHF 2.1 million).

Development of the operating segments in 2016

- In the **Film segment**, the theatrical success of “Fack Ju Göhte 2” also carried over to home entertainment exploitation. The movie achieved outstanding sales and rental figures on both the physical and the electronic market. In the TV exploitation/license trading business area, there was also high income from advance sales of the international theatrical and TV productions “Resident Evil: The Final Chapter” and “Shadowhunters”. As anticipated, sales in the theatrical distribution business areas – which benefited from popular titles such as “Fack Ju Göhte 2” and “Look Who’s Back” in 2015 – fell short of the previous year’s level. The strongest performance recorded the licensed film “Dirty Grandpa” which drew 1.33 million moviegoers into cinemas, followed by the Constantin Film co-production “Schweinskopf al dente” which delighted around 550,000 spectators.



As a result of these developments, the Film segment generated external sales of CHF 382.8 million in the year under review, thereby outperforming the figure for the previous year (CHF 290.9 million) by 31.6%. Segment expenses climbed – in particular on account of a significant increase in amortization – by 37.9% to CHF 503.2 million (2015: CHF 365.0 million), resulting in segment earnings below the previous year's level at CHF 11.9 million (2015: CHF 17.2 million).

- In the **Sports- and Event-Marketing segment**, activities focused in particular on the extensive preparations for the marketing process for the commercial rights to the UEFA Champions League and the UEFA Europa League (for the 2018/19 to 2020/21 seasons). A major part of these preparations – for both sponsorship and TV rights – were the many successful talks with existing and potential partners.

The segment's external sales were up by 13.3% year-on-year at CHF 58.6 million (2015: CHF 51.7 million). The increase was due to the higher agency commissions that the TEAM Group generated as a result of the successful marketing of the UEFA club competitions (2015/16 to 2017/18 seasons). Segment expenses climbed by CHF 2.8 million to CHF 35.9 million, meaning that segment earnings improved by 21.0% to CHF 25.4 million (2015: CHF 21.0 million).

Targets for fiscal year 2017

For the current fiscal year, the Highlight Group is expecting consolidated sales of CHF 360 to CHF 380 million and a consolidated net profit attributable to shareholders of CHF 18 to CHF 20 million. Key items in the movie slate 2017 in Germany are "Fack Ju Göhte 3", the third installment of the "Ostwind" series, the new Rita Falk adaptation "Griessnockerlaffäre", and the film version of the novel "Jugend ohne Gott". Furthermore, the franchise "Resident Evil: The Final Chapter" – which already achieved very strong box office results in the Asian region – is released on the international markets. In the home entertainment business area, the Highlight Group will benefit from the marketing of attractive titles such as "The Girl on the Train", "Timm Thaler", "Resident Evil: The Final Chapter", and "Ostwind 3"

The Board of Directors of Highlight Communications AG will propose the distribution of a dividend of CHF 0.20 per entitled share for fiscal year 2016 at the Annual General Meeting. The ordinary Annual General Meeting for fiscal year 2016 will take place at the Hotel Courtyard by Marriott in Pratteln on June 30, 2017.

The German and English annual reports for 2016 will be available for download at www.highlight-communications.ch starting from Friday, April 7, 2017.



Highlight Group at a glance

Group figures according to IFRS

in CHF million	2016	2015	Change in %
Sales	441.7	346.1	27.6
EBIT	35.8	31.1	15.1
Net profit for the period	20.3	17.6	15.3
Net profit attributable to shareholders	19.7	17.5	12.6
Earnings per share (CHF)	0.46	0.39	17.9
Segment sales			
Film	382.8	290.9	31.6
Sports- and Event-Marketing	58.6	51.7	13.3
Segment result			
Film	11.9	17.2	-30.8
Sports- and Event-Marketing	25.4	21.0	21.0
in CHF million	Dec. 31, 2016	Dec. 31, 2015	Change in %
Balance sheet total	368.5	458.0	-19.5
Equity	135.3	103.8	30.3
Equity ratio (%)	36.7	22.7	14.0 points
Current financial liabilities	52.3	104.3	-49.9
Cash and cash equivalents	88.5	106.4	-16.8

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