



Press Release

- Consolidated sales down slightly at CHF 81.9 million as compared to the previous year's figure as expected
- Consolidated net profit at CHF 2.2 million in connection with productions
- Consolidated equity rose by CHF 6.3 million to CHF 117.6 million

Q1 2013: Highlight Group on track

Pratteln, May 15, 2013

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

With marketing successes of the cinema films "The Famous Five 2", "3096 Tage" and "Ostwind" as well as the home entertainment titles "Resident Evil: Retribution" and "Step Up Revolution", the Film segment generated external sales of CHF 68.6 million in the reporting period, exceeding the previous year's figure (CHF 64.3 million) by 6.7%. Segment expenses rose by 13.2% to CHF 90.3 million (previous year's period: CHF 79.8 million) due to the considerably higher cost of materials and licenses in connection with productions. As a result of these developments, the segment result amounted to CHF -1.3 million (previous year's period: CHF 1.5 million).

In the Sports- and Event-Marketing segment, external sales of CHF 12.5 million were generated (previous year's period: CHF 21.8 million). This drop was due to changes in the business relationship with UEFA, including handing over match organization to UEFA, and the hiving off of music activities to the Other Business Activities segment. As a result of the targeted reduction of segment expenses by CHF 4.2 million or 35.9% to CHF 7.5 million, a segment result of CHF 5.0 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.

The Other Business Activities segment generated external sales of CHF 0.9 million (previous year's period: CHF 0.6 million) and other income of CHF 0.3 million (previous year's period: CHF 0.3 million). After deducting expenses of CHF 1.7 million (previous year's period: CHF 1.5 million), the segment posted a slightly lower loss of CHF 0.5 million in the first quarter of 2013 (previous year's period: CHF 0.6 million).

As a result of these developments, consolidated sales were down slightly at CHF 81.9 million as compared to the previous year's figure of CHF 86.8 million. This decline is attributable to the lower external sales of the Sports- and Event-Marketing segment. By contrast, the Highlight Group's total output (sales plus capitalized film production costs and other own work capitalized) of CHF 97.2 million remained at the level of the first quarter of 2012 (CHF 96.3 million) due to a higher production volume.



Consolidated operating expenses increased from CHF 94.2 million to CHF 100.7 million, also due to production, with the effect that the profit from operations of CHF 1.6 million was considerably lower than the previous year's figure (CHF 10.0 million). This resulted in consolidated net profit of CHF 2.2 million (previous year's period: CHF 7.6 million). The share of earnings attributable to Highlight's shareholders amounted to CHF 1.8 million (previous year's period: CHF 7.6 million), corresponding to earnings per share of CHF 0.04 (previous year's period: CHF 0.17).

As of March 31, 2013, cash and cash equivalents amounted to CHF 62.0 million, representing a decline of CHF 10.5 million as against the end of 2012 (CHF 72.5 million). At the same time, financial liabilities were reduced by CHF 10.7 million to CHF 125.3 million (December 31, 2012: CHF 136.0 million), with the effect that net debt remained virtually unchanged at CHF 63.3 million (December 31, 2012: CHF 63.5 million).

Consolidated equity (including non-controlling interests) rose by CHF 6.3 million to CHF 117.6 million (December 31, 2012: CHF 111.3 million), partly due to the net profit for the period of CHF 2.2 million. Currency translation differences and gains from the measurement of financial assets at fair value resulted in an additional positive effect totaling CHF 4.2 million. The notional equity ratio therefore improved from 26.4% to 27.8%.

For 2013 as a whole, the Highlight Group is still forecasting consolidated sales of between CHF 350 million and CHF 400 million. Due to the fact that, as in the previous years, the focus of this year's distribution slate is on the third and fourth quarters the amount of consolidated net profit will largely depend on the results of the theatrical slate in the second half of the year.

This period will see the release of "Ender's Game" and the new Bora Dagtekin comedy "Fack ju Göhte", as well as "Tarzan". Our major international production "The Mortal Instruments: City of Bones" will be released on August 29. Fans and movie experts already have high expectations of the film following the release of the trailer. Due to the positive assessment, the Highlight Group has already given the green light for the second part, "The Mortal Instruments: City of Ashes", in coordination with its partner Sony prior to the release of "The Mortal Instruments: City of Bones".

The German interim report as of March 31, 2013 will be available to download at www.highlight-communications.ch starting from this evening, and the English version from May 23, 2013.

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