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Pursuant to the terms set forth under article 82 of Securities Market Law 24/1988 and Memorandum 9/2010 of the Mercado Alternativo Bursátil (MAB), and in order to make this information available to the public, ZINKIA ENTERTAINMENT S.A. (“Zinkia” or the “Company”) states the following

RELEVANT EVENT

This is to inform the Market the advance of the consolidated results achieved in 2012 by ZINKIA ENTERTAINMENT, S.A. and subsidiaries. This advance has been prepared with unaudited information based on the accounting records of the Company and the group’s subsidiaries, and it is an extract from the consolidated financial statements formulated by the Board of Directors.

This information is only an advance and does not replace the complete Consolidated Financial Statements of 2012, which will be completely released before April 30th, 2013.

We are at your entire disposal if you require any additional information.

Madrid, 3rd April 2013

José María Castillejo Oriol
Chairman



Zinkia Entertainments, S.A. and subsidiaries-Compliance of projections for year 2012

Zinkia, as stated in the first half of the year, has increased its turnover during year 2012 in 81.77% compared to 2011. Total amount for turnover goes to EUR 14.16MM. Total revenue has reached EUR 15.51 MM which represents a total growth of 17.28% compared to previous year. Total revenue of the Group has moved according to projections without showing significant variations.

Zinkia	2011 cons	2012 cons*	% incr	2012 e**	% dev	€ dev
(€)						
Total Revenue	13,221,726	15,507,017	17.28%	15,505,015	0.01%	2,002
Sales	7,788,789	14,157,359	81.77%	14,237,191	-0.56%	79,832
Other revenue	5,432,936	1,349,658	-75.16%	1,267,824	6.45%	81,834

* Amounts not audited that come from book-keeping of the Group.

** Amounts that come from Business plan of the Group.

Operating expenses have been higher than expected. The amount for Other Operating Expenses has reached EUR 6.97MM (that represents 44.93% of total revenue), when it was estimated that this expenses amounted EUR 4.87MM (31.38% of total revenue). This deviation is mostly due to an inaccurate estimation of this item in the subsidiary Cake Entertainment, Ltd, that finally was higher than expected. However, the Group has reduced Cost of Goods and Cost of Employees compared to 2011, improving EBITDA margin from 12.74% to 29.09% of total revenue.

Zinkia	2011 cons	2012 cons*	% incr	2012 e**	% dev	€ dev
Cost of goods sold	406,352	276,791	-31.88%	116,471	137.65%	160,320
Cost of Employees	3,724,928	3,751,281	0.71%	3,502,213	7.11%	249,068
Other Operating Expenses	7,197,927	6,968,018	-3.19%	4,865,527	43.21%	2,102,491

* Amounts not audited that come from book-keeping of the Group.

** Amounts that come from Business plan of the Group.

EBIT has reached EUR 2.89MM, compared to EUR 0.11MM in previous year, although deviations explained above did not allow to reach expected margin figures.

EBITDA has reached EUR 4,5MM compared to EUR 1.89MM in 2011, increasing this margin more than 2.3 times compared to previous year. This significant increase is a result of international growth and the achievement of business plan established by the Group.

Consolidated Profit & Loss Statement is showed below:



Zinkia	2011 cons	2012 cons*	% incr	2012 e**	% dev	€ dev
(€)						
Total Revenue	13,221,726	15,507,017	17.28%	15,505,015	0.01%	2,002
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Other revenue	5,432,936	1,349,658	-75.16%	1,267,824	6.45%	81,834
Cost of goods sold	406,352	276,791	-31.88%	116,471	137.65%	160,320
Gross Profit	12,815,374	15,230,226	18.84%	15,388,544	-1.03%	158,318
% Gross Profit / Revenue	96.93%	98.22%		99.25%		
Cost of Employees	3,724,928	3,751,281	0.71%	3,502,213	7.11%	249,068
Other Operating Expenses	7,197,927	6,968,018	-3.19%	4,865,527	43.21%	2,102,491
EBITDA	1,892,518	4,510,928	138.36%	7,020,804	-35.75%	2,509,877
% EBITDA / Revenue	14.31%	29.09%		45.28%		
Amortizations and Depreciations	1,784,932	1,617,344	-9.39%	1,617,313	0.00%	31
EBIT	107,587	2,893,583	2589.54%	5,403,491	-46.45%	2,509,908
% EBIT / Revenues	0.81%	18.66%		34.85%		
Financial Income	24,811	37,536				
Financial Expense	794,551	1,282,503				
Financial P/L	- 769,739	- 1,244,967	61.74%	- 802,816	55.07%	442,151
Extraordinary Income	421,262	-				
Extraordinary Expense	5,373	110,827				
Extraordinary P/L	415,889	- 110,827				
EBT	- 246,263	1,537,789	-724.45%	4,600,675	-66.57%	3,062,886
% EBT / Revenue	-1.86%	9.92%		29.67%		
Taxation	472,262	455,710		1,380,202	-66.98%	924,492
EAT	225,999	1,082,079		3,220,473	-66.40%	2,138,394

* Provisional

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** Amounts that come from Business plan of the Group.

According to standardization of accounting principles of the Group, the amount of EUR 2,512,550 was reclassified from Cost of Goods to Other Operating Expenses in the comparative information of 2011. In addition, an accounting mistake was detected in Cake Entertainment, Ltd figures, having recognized an expense in 2011 when this should have been recorded as a trade receivable. 2011 comparative figures have been modified according to this issue, moving EAT from EUR 23,256 to EUR 225,999.