The Vitec Group plc
Full year results 2012

- **Stephen Bird,** Group Chief Executive
- **Paul Hayes,** Group Finance Director
- 28 February 2013

A year of further progress

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Agenda

- **Highlights**
  - **Stephen Bird,** Group Chief Executive
- **Financial Review**
  - **Paul Hayes,** Group Finance Director
- **Strategic and Operational Review**
  - **Stephen Bird,** Group Chief Executive

Highlights

- **Stephen Bird,**
  Group Chief
  Executive

Highlights

- > 13.9% increase in operating profit* and 160 bps increase in operating margin* to 11.4%
- > Good Broadcast & Video performance, including a strong contribution from Camera Corps at the London 2012 Olympics
- > Photographic business gained market share and grew sales of Powerbrand products
- > MAG activities benefited from the integration and strong performance of Haigh-Farr
- > Profit before tax* rose by 9.7% to £36.2 million
- > Streamlining of certain operations planned in 2013 to strengthen the business
- > Recommended 8.0% increase in final dividend to 13.5 pence per share

** Before charges associated with acquired businesses. Profit before tax is also before disposal of business.*

Financial Review

> **Paul Hayes,**
> Group Finance Director

Continued growth in profit and margins

	2012 £m	2011 £m	∆ %	∆ Organic CER ** %
Revenue	345.3	351.0	(1.6%)	(1.2%)
Gross profit	147.2	146.1	0.8%	
Gross margin %	*42.6%*	*41.6%*	*+100 bps*	
Operating profit *	39.3	34.5	13.9%	4.2%
*Operating margin % **	*11.4%*	*9.8%*	*+160 bps*	
Net finance expense	(3.1)	(1.5)		
PBT *	36.2	33.0	9.7%	2.5%
Adjusted EPS *	55.8p	51.4p	8.6%	
Dividend per share	22.0p	20.5p	7.3%	

> Increase in profit in a more challenging macroeconomic climate

> Focus on improving margins and controlling costs

> 13.9% increase in operating profit* and 160 bps increase in operating margin* to 11.4%

> Finance costs reflect full year of private placement and market rates on new £100m revolving credit facility

> Adjusted EPS* up 8.6% to 55.8p

> Full year dividend increased by 7.3%

* *Before charges associated with acquired businesses. Profit before tax and adjusted earnings per share are also before disposal of business.*

** *Organic CER at Constant Exchange Rates excluding year on year effect of acquisitions and full year effect of disposal of business, and ceasing distribution of some non-core third party products*

Operating profit* and margin* increased in all three divisions

	Revenue			Operating Profit*			Operating Margin*		
	2012 £m	2011 £m	Δ £m	2012 £m	2011 £m	Δ £m	2012 %	2011 %	Δ % pts
Videocom	146.2	136.2	+10.0	15.8	12.7	+3.1	10.8%	9.3%	+1.5pts
Imaging *(exc. Staging)*	157.9	165.5	-7.6	22.9	21.9	+1.0	14.5%	13.2%	+1.3pts
*Staging ***	*8.2*	*17.7*	*-9.5*	*(0.6)*	*(0.7)*	*+0.1*	*(7.3)%*	*(4.0)%*	*-3.3pts*
Services	33.0	31.6	+1.4	1.2	0.6	+0.6	3.6%	1.9%	+1.7pts
	345.3	**351.0**	**-5.7**	**39.3**	**34.5**	**+4.8**	**11.4%**	**9.8%**	**+1.6pts**

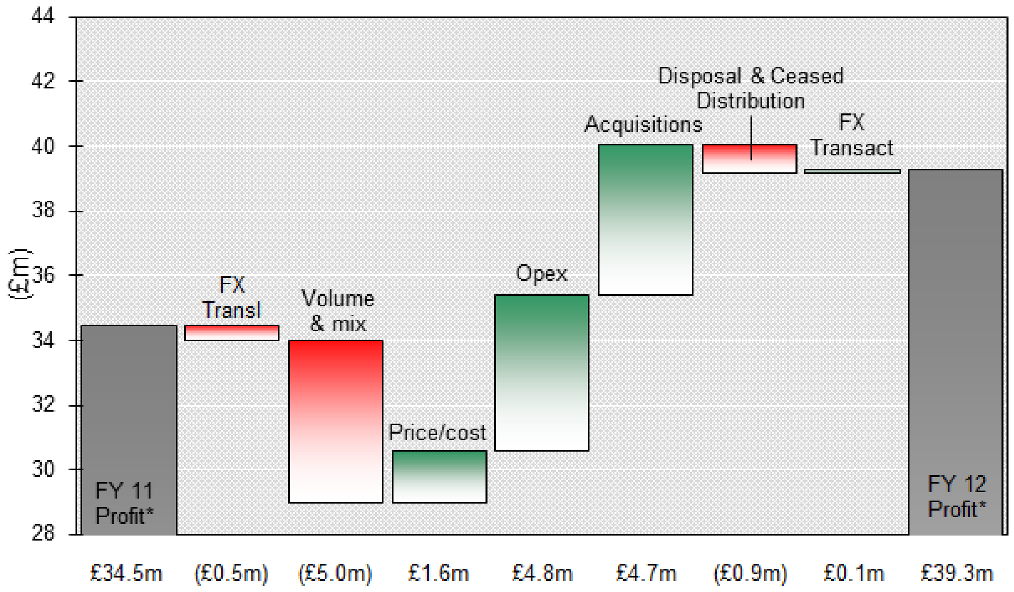
** Before charges associated with acquired businesses; ** Staging disposed August 2012*

Videocom
- Good performance in Broadcast & Video businesses
- Benefit of Camera Corps acquisition and London 2012 Olympics
- Strong performance of Haigh-Farr, offsetting non-recurrence of $7.9 million Auction 66 revenue
- Growth in sales of video and lighting supports

Imaging
- Increased margin through pricing and cost management

Services
- Focus on managing costs and margins

Strong cost management and earnings enhancing acquisitions



** Operating profit before charges associated with acquired businesses*

- Volume and mix reflects IMT and decline in sales at Videocom, and lower bags volumes at Imaging
- Price increases more than offset higher commodity costs
- Operating expenses under tight control
- Good contributions from Lastolite, Haigh-Farr and Camera Corps acquisitions
- Net adverse £0.9m from Staging disposal and ceasing distribution of some third party brands at Imaging

Continued focus on cash generation

	2012 £m	2011 £m	Δ £m
Operating profit *	39.3	34.5	4.8
Depreciation (1)	14.2	14.9	(0.7)
Working Capital	(14.9)	(5.6)	(9.3)
Other (2)	(0.2)	(4.7)	4.5
Cash generated from operations	**38.4**	**39.1**	**(0.7)**
Capital expenditure (3)	(15.5)	(16.1)	0.6
Proceeds from asset sales	1.8	6.4	(4.6)
Net interest and tax paid	(13.9)	(12.9)	(1.0)
Free cash flow	**10.8**	**16.5**	**(5.7)**

- Net increase in working capital:
  - Inventory decreased by £1.3m, reflecting management focus
  - Trade receivables up £4.4m on sales activity, but with improvement in ageing
  - Payables decreased, reflecting inventory reduction and lower accruals
- 2011 cash flow reflected one-off asset sales in Services and proceeds from the disposal of vacant properties
- Free cash flow of £10.8m for 2012 in line with our expectations

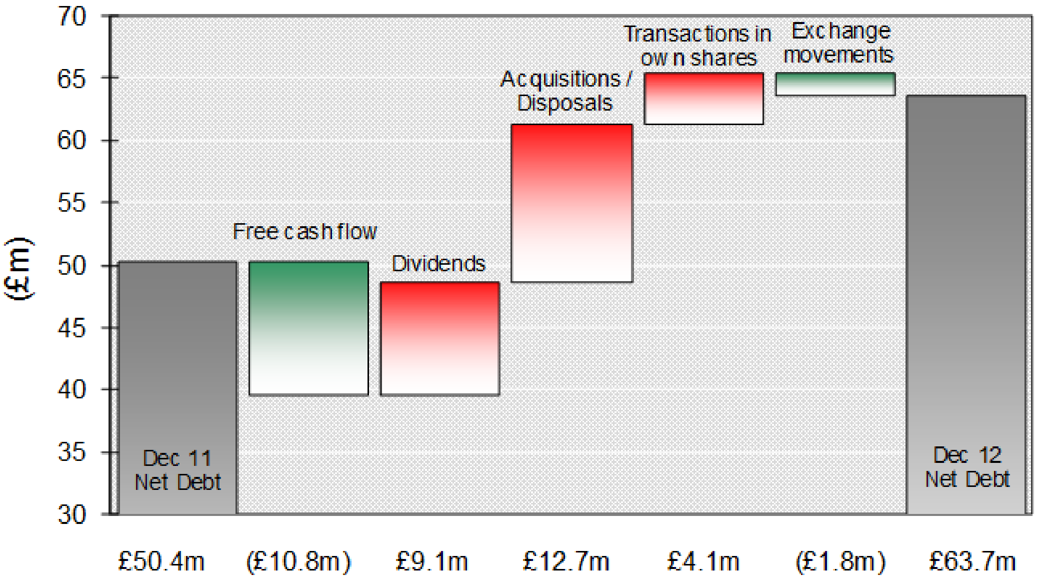
* *Operating profit before charges associated with acquired businesses*

(1) *Includes depreciation and amortisation of capitalised software and development costs*

(2) *Includes change in provisions, share based charge, gain on disposal of PPE, fair value derivatives and transaction costs relating to acquisitions*

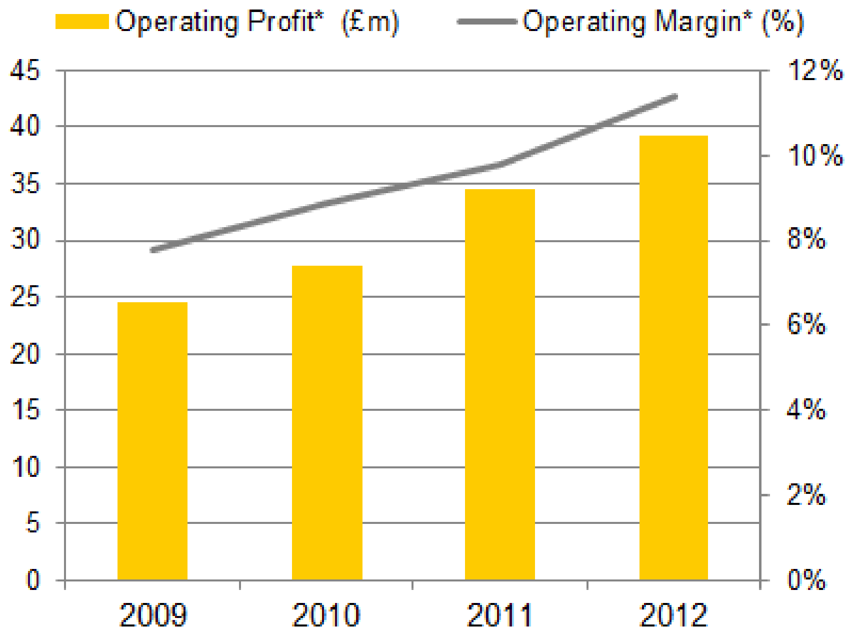
(3) *Purchase of PPE and capitalisation of software and development costs*

Net debt funded value accretive acquisitions



- £12.7m net outflow on acquisitions and disposals
  - £10.6m on acquisitions: Camera Corps, deferred consideration, and earnouts on previous acquisitions
  - Cash outflows in relation to the disposal of Staging of £2.1m
- Transactions in own shares reflect employee benefit obligations
- Net debt to EBITDA of 1.2x (Dec 2011: 1.0x), with significant headroom against banking covenants
- New five year £100m revolving credit facility with relationship banks expiring in July 2017

Streamlining of certain operations to strengthen the business further



Revenue (£m)	315.1	309.6	351.0	345.3

** Before charges associated with acquired businesses in 2012 and 2011; and before significant items in 2010 and 2009*

- Continued to make good progress in improving margins and managing our cost base
- As part of this ongoing process, we will streamline certain operations in 2013:
  - Expanding manufacturing in Costa Rica
  - Downsizing selected activities in UK, Israel and US
- Streamlining offers good return on investment and will strengthen the business going forward
- One-off costs expected to be approximately £9m of which £8m will be cash

Other financial points

- Goodwill in IMT fully impaired
  - One-off, non-cash, £8.8m impairment charge to fully impair the investment in IMT
- Factors affecting net debt
  - Approximately £8m cash flows from streamlining of certain operations in 2013
  - £3m of own shares expected to be purchased to satisfy employee benefit plan obligations in 2013
  - Haigh-Farr earnout of around £1.2m expected to be paid in the first half of 2013
  - The 2013 interest charge will reflect a full year of the new revolving credit facility
- Other
  - 33% effective tax rate (2011: 33%); expect to remain at similar level for 2013
  - £2.1m of acquired intangibles to be amortised in 2013; thereafter the remaining £9.9m to be amortised over six years on average

Financial Review: Summary

- > We are well positioned in a more challenging macroeconomic environment
- > Acquisitions are performing ahead of expectations
- > Strong performance in 2012 with continued growth in profit and margins
- > Streamlining of certain operations in 2013 to strengthen business further
- > Management of costs and working capital remain priorities
- > Strong balance sheet

Strategic & Operational Review

- **Stephen Bird,** Group Chief Executive

Market conditions and update

- Broadcast & Video market remains attractive
  - Demand driven by greater use of video capture, investments by broadcasters and technology drivers
  - Benefit of London 2012 Olympics and US Presidential election
  - Lower growth in 2012 following significant growth in 2010 (+15%) and 2011 (+19%), and limited order visibility
- Photographic market continues to grow
  - CIPA data shows 28% growth in shipment of interchangeable lens cameras during 2012
  - Opportunities to address compact system cameras (CSCs) market growth, particularly in bags
  - Powerbrand products performing well with market share gains
  - Some contraction in bags market during the year, but supports market stable
- MAG market remains challenging
  - Low investment from US Government driven customer base
  - Haigh-Farr business performing well and gaining market share
  - Longer term prospects remain attractive

Videocom

Broadcast & Video market performed well; challenging MAG market

	2012 £m	2011 £m	∆ %	∆ Organic CER ** %
Revenue	146.2	136.2	7.3%	(3.1%)
Operating profit *	15.8	12.7	24.4%	(9.0%)
Operating margin % *	10.8%	9.3%	+1.5pts	-0.6pts

Operating profit before charges associated with acquired businesses

*** Organic CER: at Constant Exchange Rates excluding year on year effect of acquisitions*

Vitec Videocom

- Good growth in sales of outside broadcast and video camera supports
- Strong contribution from Camera Corps at London 2012 Olympics & UEFA Euro 2012 Championships
- Litepanels maintained market leading position, benefitting from launch of new products
- IMT impacted by low investment from US Government driven customer base and no repeat of Auction 66 sales (2011: £4.9m)
- Haigh-Farr performing ahead of pre-acquisition expectations

Videocom – Expansion of Costa Rica

Further shift to lower cost manufacturing

- Costa Rica manufacturing established in 1985; based in Cartago's Free Trade Zone
- Close to US customers
- Capacity recently doubled to more than 5,500 square metres
- Lower cost manufacturing of broadcast heads and camera supports
- Lean machining and assembly processes to be expanded
- Manfrotto tripod production line recently installed

Imaging (excluding Staging)

Photographic market share increase

	2012 £m	2011 £m	Δ %	Δ Organic CER ** %
Revenue	157.9	165.5	(4.6%)	(0.4%)
Operating profit *	22.9	21.9	4.6%	10.2%
Operating margin % *	14.5%	13.2%	+1.3pts	+1.3pts

* *Operating profit before charges associated with acquired businesses*
** *Organic CER at Constant Exchange Rate excluding year on year effect of acquisition and ceasing distribution of some non-core third party products*

Manfrotto Powerbrand

- Ceased distribution of some lower margin third party branded products
- Improved margins through management of pricing and costs
- Increased market share in core tripod business in US and Europe
- Contraction in bags market, but market share remained stable
- Cost reduction measures in Israel and UK
- Manfrotto Powerbrand products grew sales and margins; good performance from LED lights introduced in late 2011

Services

Services benefitted from focus on margin and costs

	2012 £m	2011 £m	Δ %	Δ CER* %
Revenue	33.0	31.6	4.4%	3.4%
Operating profit	1.2	0.6	100.0%	100.0%
Operating margin %	3.6%	1.9%	+1.7pts	+1.7pts

* *CER: at Constant Exchange Rates*

- Strong performance from the London 2012 Olympics and the US Presidential election
- Focus on increasing margins and cost control
- Important role in driving sales of other divisions' products

Bexel

Summary and Outlook

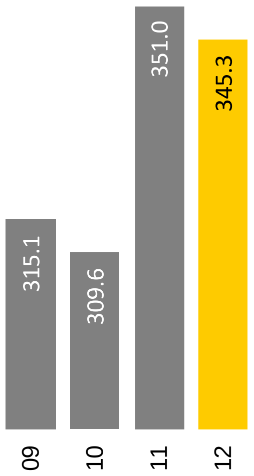
- Markets remain attractive
- Continuing to deliver against our strategy
- Growth in profits and margins in all divisions
- Acquisitions complement our activities and are performing well
- Actions to control costs and further strengthen the business
- Board remains confident about the prospects for the Group

Questions

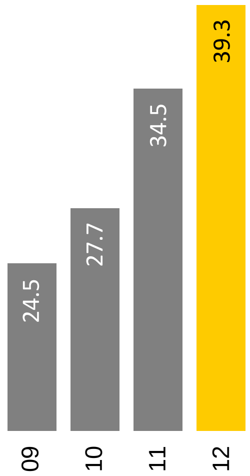
Appendices

Key financial measures – Full year

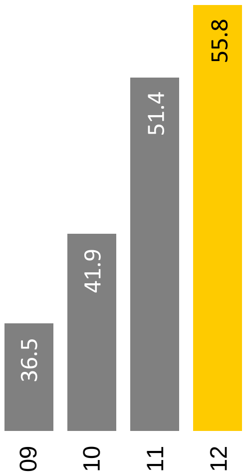
Revenue
£m



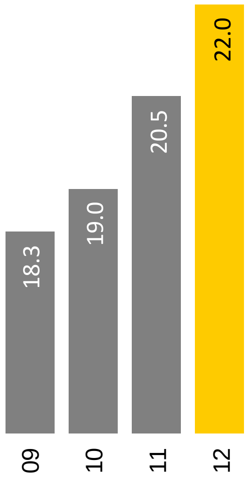
Operating profit*
£m



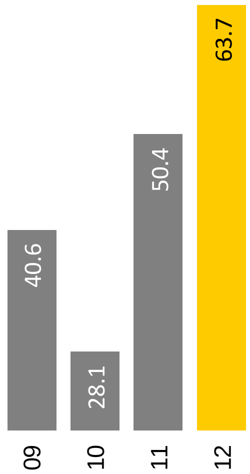
Adjusted EPS*
pence



DPS
pence



Net debt
£m



* Before charges associated with acquired businesses. Adjusted earnings per share is also before disposal of business.

Vitec at a glance

Videocom

Premium Broadcast Equipment — *Supports, LED Lighting, Mobile Power, Bags, Prompters, Robotic Camera Systems*

Integrated Microwave Solutions (MAG) — *Video Transmission Devices, Receive Systems, Speciality Antennas*

	FY 2012
Revenue	**£146.2m**
Operating Profit*	**£15.8m**
Operating Margin* %	**10.8%**

Imaging

NATIONAL GEOGRAPHIC **

Premium Photographic Equipment — *Supports, Bags, LED Lighting & Lighting Accessories*

	FY 2012	
	As reported‡	**Exc. Staging‡**
Revenue	*£166.1m*	**£157.9m**
Operating Profit*	*£22.3m*	**£22.9m**
Operating Margin* %	*13.4%*	**14.5%**

Services

Broadcast Production Support — *Equipment Rental and Used Equipment Sales, Fibre Optic Integration and Installation*

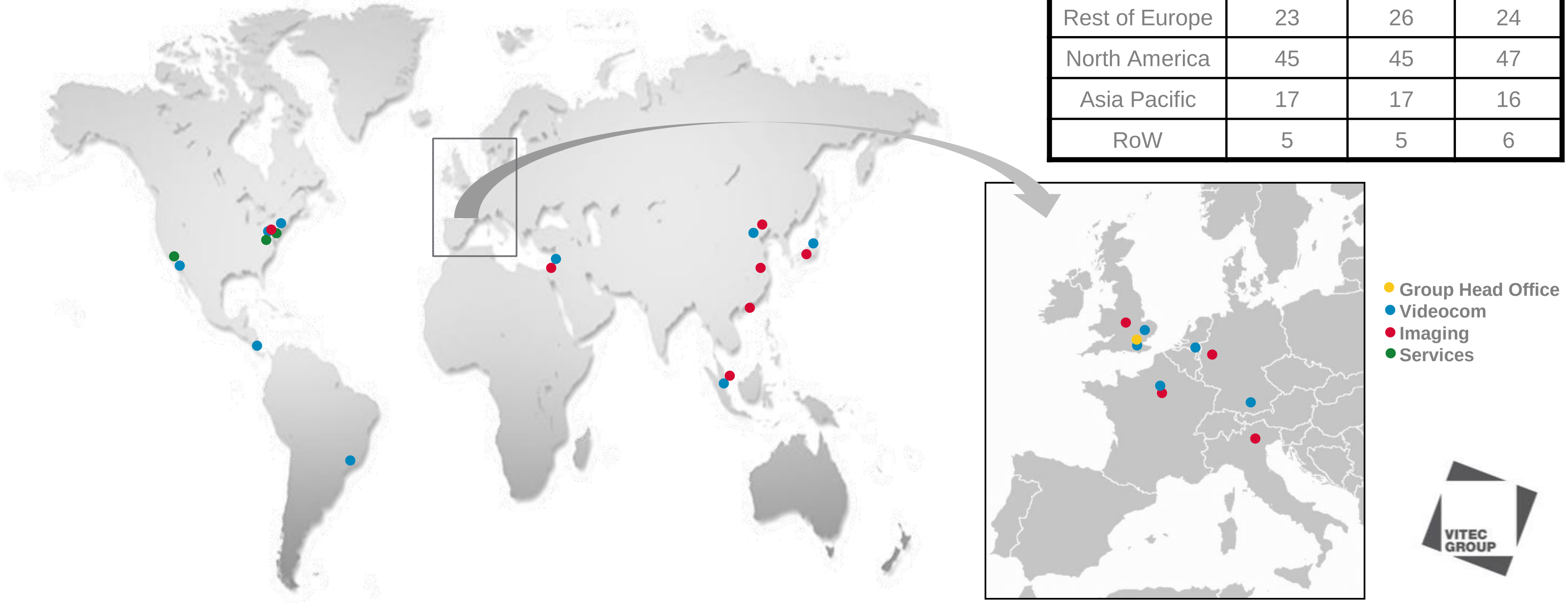
	FY 2012
Revenue	**£33.0m**
Operating Profit	**£1.2m**
Operating Margin %	**3.6%**

* Before charges associated with acquired businesses ** Manufactured and distributed under licence ‡ Reported results include the Staging business (disposed in H2 2012)

Geographic reach

- Wide geographic spread
- Sites in 12 countries; sell into 100+ countries
- Sales: UK accounts for only 10% of revenue

Destination	*% of revenue*		
	FY 2012	*FY 2011*	*FY 2010*
UK	10	7	7
Rest of Europe	23	26	24
North America	45	45	47
Asia Pacific	17	17	16
RoW	5	5	6



A clear strategy to drive shareholder value

Growth Strategy	▸ Leading branded products ▸ Strong customer relationships ▸ Global reach ▸ Markets with long-term growth
Enhancing Margins	▸ Clearly defined sales initiatives and opportunities ▸ Potential to improve margins to reflect premium brands ▸ Margin improvement in lower margin businesses ▸ Proactive management of cost base
Corporate Development	▸ Track record in acquiring and integrating businesses ▸ Acquisitions into adjacent markets & technologies ▸ Exit from non-core businesses (e.g. Staging and Clear-Com) ▸ Disciplined working capital management
Strong Cash Flow	▸ Focus on cash generation ▸ Progressive dividend policy

There is potential to improve Group margins

- Targeting the medium term improvement in Group margins through:
  - The benefit of maturing sales initiatives delivering longer-term margin growth
  - Addressing the performance of lower margin businesses
  - Control over operating expenditure
  - Further shift to lower cost manufacturing
  - Benefit from higher margin acquisitions

	2009 £m	2010 £m	2011 £m	2012 £m
Revenue	315.1	309.6	351.0	345.3
Operating profit*	24.5	27.7	34.5	39.3
Operating margin*	7.8%	8.9%	9.8%	11.4%

** Before charges associated with acquired businesses in 2012 and 2011; and before significant items in 2010 and 2009*

Income Statement excluding Staging

	2012 recalculated £m	2011 recalculated £m	Δ %
Revenue	337.1	333.3	1.1%
Gross profit	145.9	143.0	2.0%
Gross margin %	*43.3%*	*42.9%*	*40 bps*
Operating profit *	39.9	35.2	13.4%
*Operating margin % **	*11.8%*	*10.6%*	*+120 bps*

* *Before charges associated with acquired businesses*

GAAP reconciliation: Profit before tax

	2012 £m	2011 £m	Δ £m
Profit before tax*	36.2	33.0	3.2
Charges associated with acquired businesses:			
Contingent consideration on previous acquisitions (1)	(1.0)	-	(1.0)
Transaction costs relating to acquisitions (2)	(0.3)	(0.8)	0.5
Impairment of goodwill (3)	(8.8)	(5.2)	(3.6)
Amortisation of acquired intangibles	(3.6)	(3.2)	(0.4)
Disposal of business	(6.4)	-	(6.4)
Profit before tax	**16.1**	**23.8**	**(7.7)**

** Before charges associated with acquired businesses and disposal of business.*

(1) A contingent consideration of £1.2 million has been provided for at 31 December 2012 in respect of a prior period acquisition (Haigh-Farr). A contingent consideration of £0.7 million provided within goodwill at 31 December 2011 in respect of a prior period acquisition (Manfrotto Lighting, previously Lastolite) was reversed by £0.2 million.

(2) £0.3 million transaction costs were incurred in relation to the acquisition of Camera Corps

(3) The annual impairment review of goodwill led to a charge of £8.8 million relating to the goodwill of the IMT business, in the Videocom Division (2011: £5.2 million associated with Staging)

GAAP reconciliation: Earnings per share

	2012 £m	2011 £m	Δ £m
Profit after tax*	24.3	22.2	2.1
Charges associated with acquired businesses	(13.7)	(9.2)	(4.5)
Tax on charges associated with acquired businesses	1.3	2.0	(0.7)
Disposal of business	(6.4)	-	(6.4)
Tax on disposal of business	0.4	-	0.4
Profit after tax	**5.9**	**15.0**	**(9.1)**
Weighted average number of shares ('000)	43,520	43,197	
Adjusted EPS * (pence)	55.8	51.4	4.4
Basic EPS (pence)	**13.6**	**34.7**	**(21.2)**

** Before charges associated with acquired businesses and disposal of business.*

Working capital overview

Movement in Working Capital

	2012 £m	2011 £m	Δ £m
Decrease / (increase) in inventories	1.3	(8.4)	9.7
Decrease / (increase) in receivables	(4.4)	(3.2)	(1.2)
(Decrease) / increase in payables	(11.8)	6.0	(17.8)
TOTAL	**(14.9)**	**(5.6)**	**(9.3)**

Gross Trade Receivables - Days Overdue*

	2012		2011		Δ
	£m	%	£m	%	£m
Current	32.4	*78%*	33.5	*76%*	-1.1
1-30 Days	6.6	*15%*	6.0	*13%*	+0.6
31-60 Days	1.6	*4%*	1.7	*4%*	-0.1
> 60 days	1.2	*3%*	3.0	*7%*	-1.8
Total	**41.8**		**44.2**		**-2.4**
Exc. Staging	*41.8*		*40.7*		*+1.1*

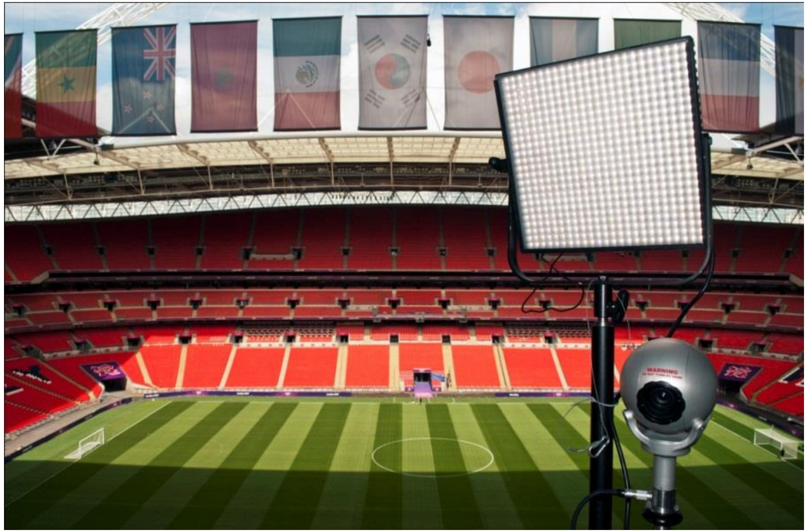
- *Days overdue are measured from date an invoice was due to be paid*

Inventory > £1.3m reduction, reflecting management focus in this area

Receivables > £4.4m increase, reflecting strong sales month in December
> Improvement in ageing with 93% 30 days overdue or less (2011: 91% excluding Staging)

Payables > Decreased due to inventory reduction and lower accruals at year end

Camera Corps: Acquired for £8.0m in April 2012



- World leading provider of speciality remote camera systems
- Bespoke camera systems including the Q-Ball and DS-1 Digital Stills Head
- Existing senior management, including the founder, have remained with the business
- Strong performance in UEFA football championships and London 2012 Olympics
- Good progress on business integration into Videocom

Third party cameras customised to provide end-to-end solution to capture exceptional images

Q-Ball

DS-1 Digital Stills Head

Disposal of the Staging business

- A low-margin, commoditised business with no synergies with our other activities
- Loss-making although management attention had reduced losses in recent years
- 2012 loss up to date of disposal of £0.6m (2011: £0.7) from sales of £8.2m (2011: £17.7m)
- Successful exit from the business with £2.1m cash outflow and £6.4m loss on disposal
- The disposal allows Vitec to concentrate on core activities

Borrowings

- Revolving credit loan facility of £100m negotiated post half year-end
  - Committed until July 2017 with 5 relationship banks
  - Margin at 200 bps over LIBOR
  - Significant covenant headroom
  - Average income statement charge of borrowing 4.4% of utilised facility
- $75m Private Placement shelf facility established in 2011 to fund potential acquisitions
  - $50m drawn down at December 2012 (Dec 2011: $50m)
  - Blended interest rate of 4.77%
- December 2012 Net Debt of £63.7m (Dec 2011: £50.4m)
  - Net Debt to EBITDA ratio of 1.2x (Dec 2011: 1.0x)

Foreign exchange update

Year on year effect on operating profit	£/$	€/$	£/€	Translation £m	Transaction £m	Total £m
Average FY03	1.63	1.13	1.45	1.2	(2.3)	(1.1)
Average FY04	1.82	1.24	1.47	(0.9)	(3.9)	(4.8)
Average FY05	1.82	1.24	1.46	0.1	(1.0)	(0.9)
Average FY06	1.84	1.25	1.47	(0.2)	(0.5)	(0.7)
Average FY07	2.00	1.37	1.47	(1.3)	(2.4)	(3.7)
Average FY08	1.85	1.46	1.26	3.8	(1.7)	2.1
Average FY09	1.56	1.40	1.12	6.6	3.9	10.5
Average FY10	1.55	1.33	1.17	(0.3)	2.0	1.7
Average FY11	1.60	1.39	1.15	(0.3)	0.8	0.5
Average FY12	1.58	1.29	1.23	(0.5)	0.1	(0.4)

Negatives indicate an adverse effect

Videocom – Broadcast products

autoscript
www.autoscript.tv

LITE PANELS®

antonbauer

Vinten

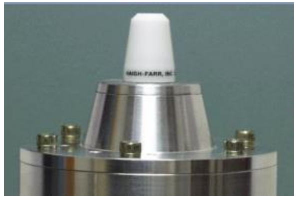
sachtler

CAMERA CORPS

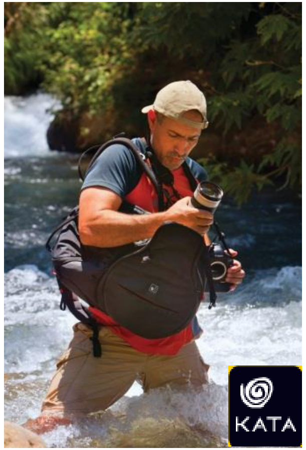
oconnor

VITEC GROUP

Videocom – MAG products



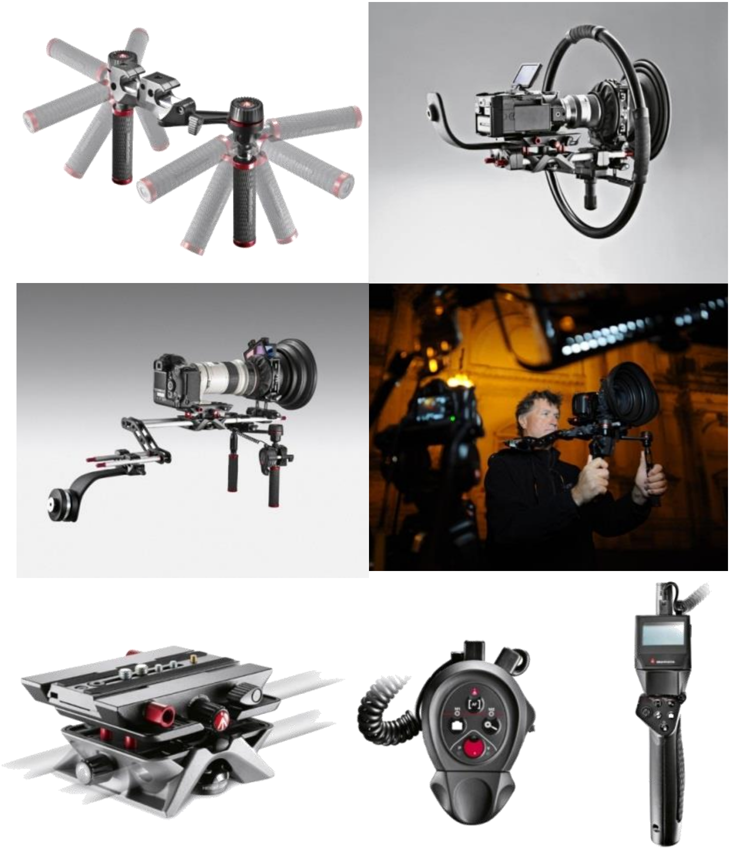
Imaging products



Lastolite™

VITEC GROUP

Manfrotto Sympla video equipment



- Video equipment is becoming lighter and more compact
- Sympla is a range of products that supports and controls this equipment without losing stability
- The videographer can shoot from any angle even under challenging light conditions
- Sympla was launched in 2011 and is performing well

VITEC GROUP

Capture the moment™