





2008 Full Year Results

Alastair Hewgill, Interim Chief Executive
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2 March 2009

Agenda

- ◆ Highlights – Alastair Hewgill
- ◆ Financial Review – Richard Cotton
- ◆ Divisional Review & Outlook – Alastair Hewgill

2008 highlights

A year of good progress

- ◆ Reported revenue growth of 23%
 - ◆ Constant currency organic revenue up by 5%
- ◆ Broadcast Systems revenue up 33%
 - ◆ Constant currency organic revenue up by 7%
- ◆ Reported operating profit up by 18%
- ◆ 3 acquisitions, including Litepanels, performing well
- ◆ Cash generated from operations up 31% to £44.3m
- ◆ Loan facility increased by 25% to £125m
- ◆ Full year dividend increased by 3%

Financial review

Income statement

Another year of profit growth

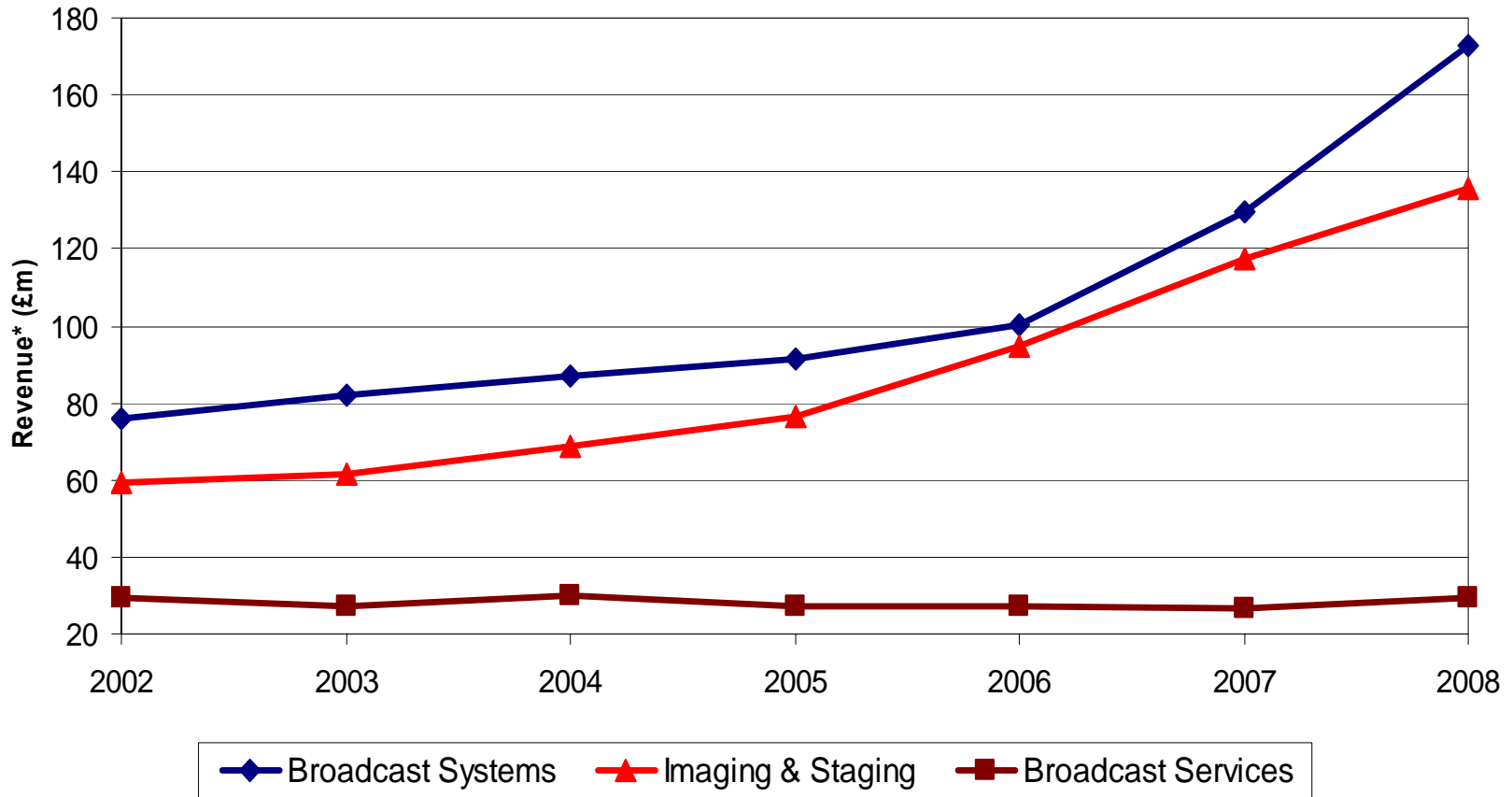
	<u>2008</u> <u>£m</u>	<u>2007</u> <u>£m</u>	Δ %
◆ Revenue	337.7	273.8	23.3%
◆ <i>Gross margin %</i>	40.6%	40.7%	-0.1 pts
◆ Operating expenses*	(98.7)	(78.7)	25.4%
◆ Operating profit*	38.4	32.6	17.8%
◆ <i>Operating margin %</i>	11.4%	11.9%	-0.5 pts
◆ PBT*	35.4	30.3	16.8%
◆ <i>Headline tax charge %</i>	34.0%	37.0%	-3.0 pts
◆ Adjusted basic earnings per share*	55.9p	46.0p	21.5%

* Pre-goodwill charges, provision against equity accounted investment, property profit and non-interest finance charges (significant items)

- ◆ Operating margin down 50 bps, reflecting restructuring in Staging & Camera Dynamics
- ◆ Headline tax charge reduced by a further 3% to 34%

Divisional revenue trend*

Continued organic & acquisition-led growth



* Reported sterling, continuing operations

Revenue growth of 12% (constant currency)

Constant currency organic growth of 5%

Divisional revenue	Actual	FX	Restated	Actual		Δ			
	2007					2007*	2008	Organic	Acquisition
	£m	£m	£m	£m	%	£m	%	£m	%
◆ Broadcast Systems	129.8	12.4	142.2	172.6	21.4%	9.2	6.5%	21.2	14.9%
◆ Imaging & Staging	117.3	14.1	131.4	135.8	3.3%	4.4	3.3%	-	-
◆ Broadcast Services	26.7	2.2	28.9	29.3	1.4%	0.4	1.4%	-	-
◆ Total Revenue	273.8	28.7	302.5	337.7	11.6%	14.0	4.6%	21.2	7.0%

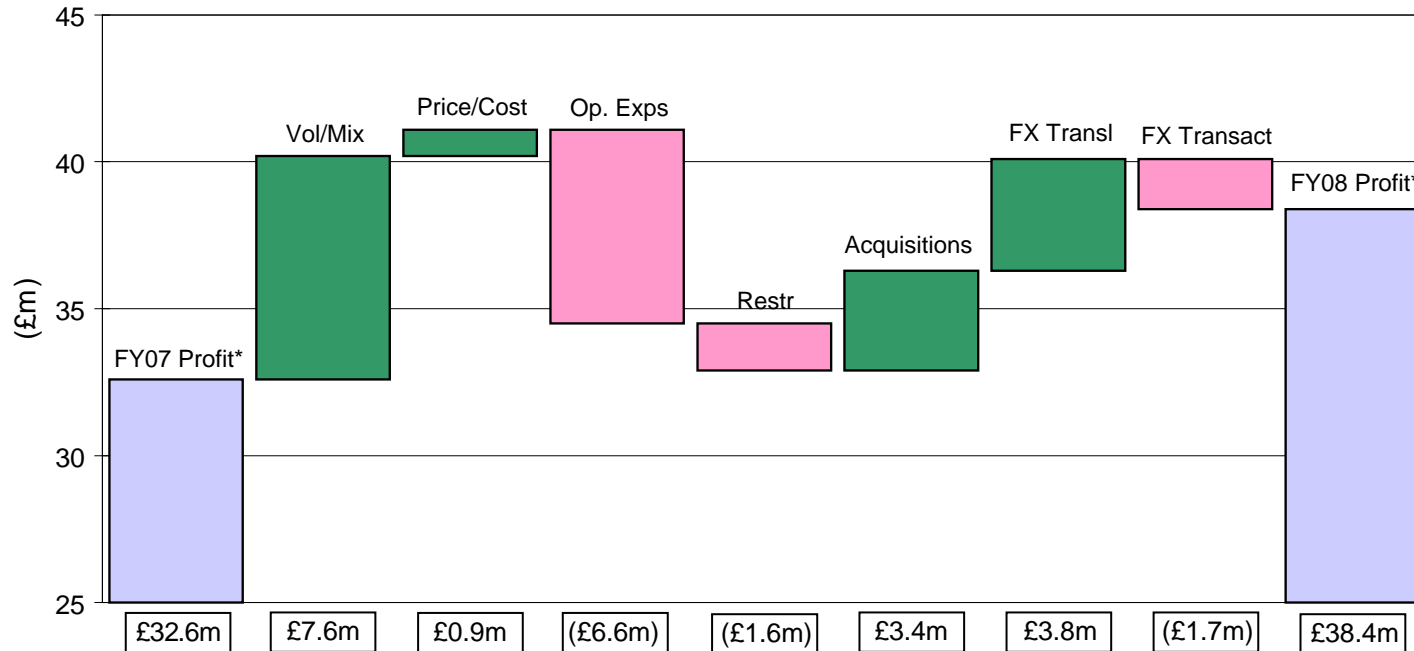
* Restated at 2008 average rates

Note: This analysis is provided as guidance. It is management's estimate and is not intended to be a statutory presentation.

- ◆ Broadcast Systems: Organic growth in RF, Camera Dynamics and Comms
- ◆ Imaging & Staging: Consistent, but slower, organic growth in Imaging
- ◆ Broadcast Services: Olympics growth offset by weaker US market

Operating profit up 18%

Increase of 10% in constant currency



* Operating profit before significant items

Variations are based on management's best estimates and are not a statutory presentation

- ◆ Volume/mix contributes £7.6m
- ◆ Restructuring of Staging (£1.2m) and early layoffs in Camera Dynamics (£0.4m)
- ◆ Acquisitions include additional contribution from 5 months of RF Systems
- ◆ Total impact of favourable FX movements was £2.1m (2007: £3.7m adverse)

Operating cash flow

Continued strong performance

	<u>2008</u> <u>£m</u>	<u>2007</u> <u>£m</u>	<u>Δ</u> <u>£m</u>
◆ Operating profit*	38.4	32.6	5.8
◆ Depreciation**	12.8	10.6	2.2
◆ Working capital	(8.5)	(9.5)	1.0
◆ Provisions made / (utilised)	0.8	(0.2)	1.0
◆ Other	0.8	0.3	0.5
◆ Cash generated from operations	<u>44.3</u>	<u>33.8</u>	<u>10.5</u>

**Pre-goodwill charges, provision against equity accounted investment, property profit and non-interest finance charges (significant items)*

*** Includes depreciation, impairment losses on property and amortisation of capitalised software*

- ◆ Constant currency inventory days decreased from 111 to 102 days (excluding RF Systems)
- ◆ Constant currency debtor days 41 (2007: 51 days) before RF Systems
- ◆ RF Systems working capital increased by £9.8m as BAS advance payments reduce

Free cash flow

Operating cash flow drops through

	<u>2008</u> <u>£m</u>	<u>2007</u> <u>£m</u>	<u>Δ</u> <u>£m</u>
◆ Cash generated from operations	44.3	33.8	10.5
◆ Capital expenditure	(17.6)	(18.4)	0.8
◆ Proceeds of asset sales	2.6	1.8	0.8
◆ Net interest paid	(3.6)	(3.0)	(0.6)
◆ Tax paid	(6.7)	(9.5)	2.8
◆ Free cash flow	19.0	4.7	14.3
◆ Net debt	(53.0)	(38.4)	(14.6)

- ◆ Capital expenditure 13% lower in constant currency
- ◆ £2.8m lower tax payments mainly due to US rebate
- ◆ Unutilised loan facility of £60.1m at 31 December 2008

Renewed loan facility and net debt

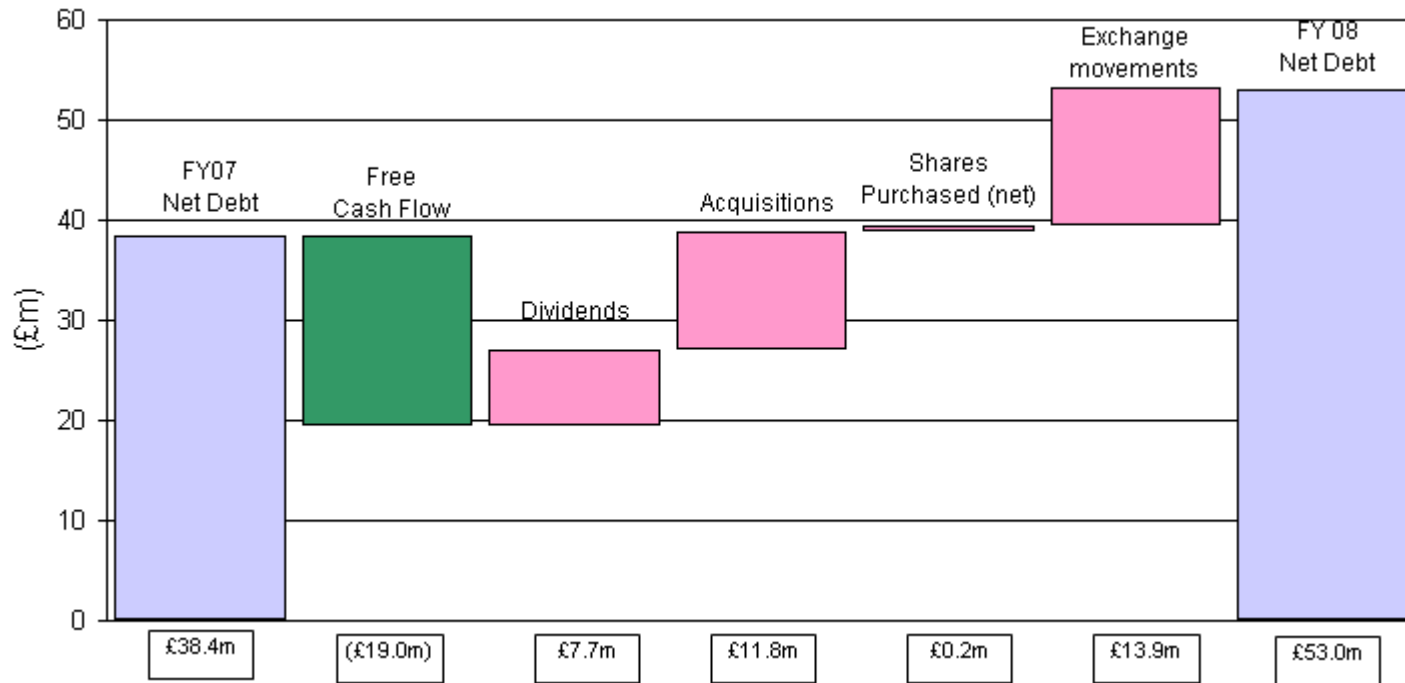
- ◆ Loan facility increased by 25% to £125m
 - ◆ Committed until 2013
 - ◆ 5 banks
 - ◆ Current interest at 0.95% over LIBOR*

- ◆ Utilisation as at 31 December 2008 £64.9m
 - ◆ Year end net debt of £53.0m after
 - net cash in the businesses of £14.9m
 - Anton/Bauer property mortgage £3.0m

** At current levels of net debt to EBIDTA of less than or equal to 1.5:1*

Net Debt

£0.7m higher before £13.9m adverse exchange



Sign convention: positive indicates increase in net debt

- ◆ Continued strong free cash flow funds dividends and acquisitions
- ◆ Due to continued sterling weakness, in 2009 the sterling denominated loans have been increased to c.50% of the total

Sundry financial points

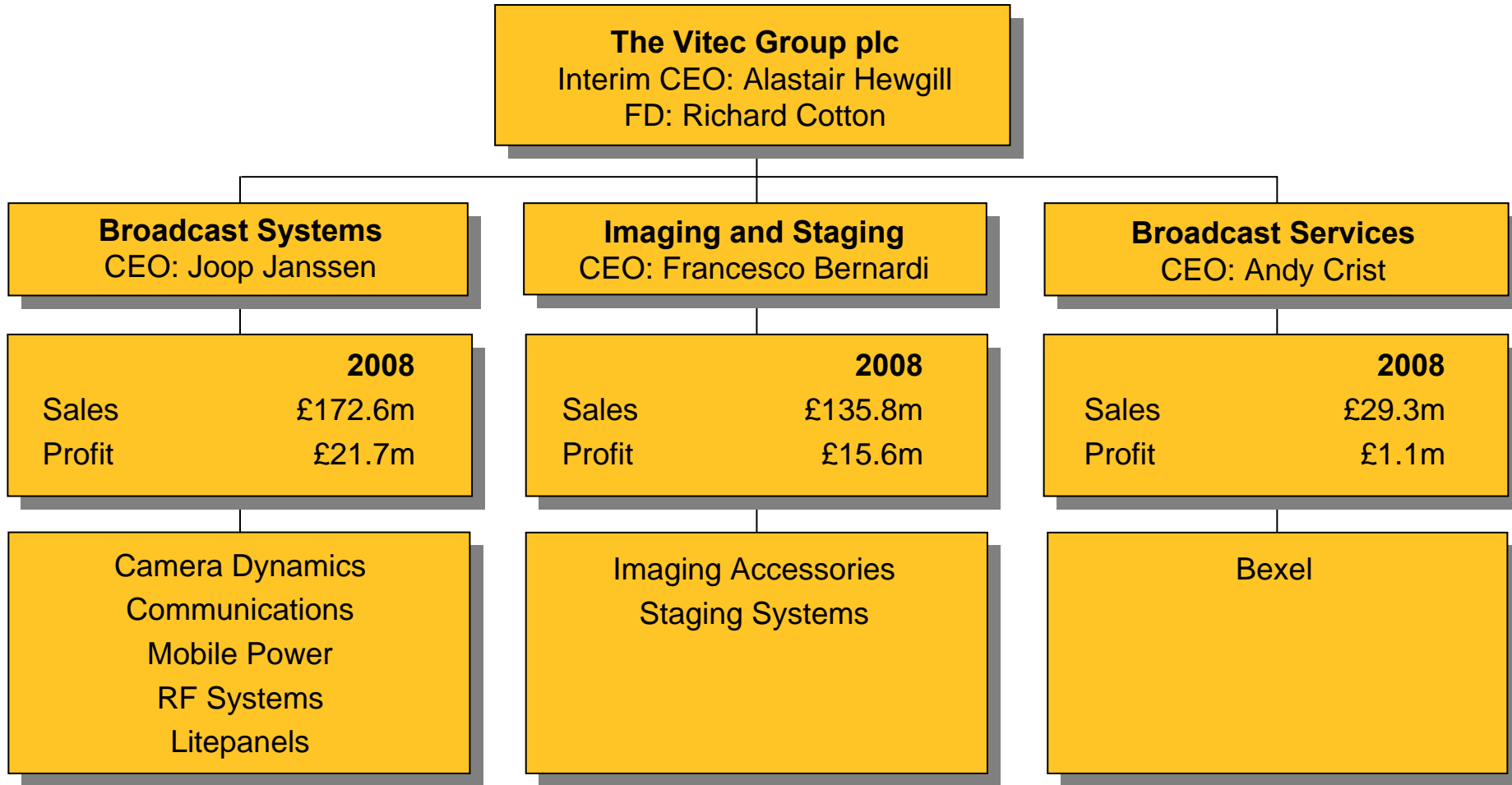
- ◆ Foreign exchange effects on profit
 - ◆ FY 2008 £2.1m better than FY 2007
 - H2 08 £3.5m favourable vs. H2 07
 - ◆ 2009 estimate > £10m favourable impact (at current rates)*
- ◆ Tax
 - ◆ 34% headline charge (2007: 37%)
 - ◆ 2009 guidance: 34%
 - c.5% less for cash taxes
- ◆ UK pensions
 - ◆ IAS 19 deficit £0.4m (Dec 2007, surplus £1.2m)
 - Higher discount rates mitigates lower asset value

* *Assuming current exchange rates remain the same until the end of 2009, businesses' current estimates of expected levels of sales volumes and profit activity and at the current level of Group hedging in place*



Divisional review

“A platform for further growth”



Broadcast Systems

Continued sales and profit growth

	<u>2008</u> <u>£m</u>	<u>2007</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	172.6	129.8	33.0%
◆ Operating profit*	21.7	13.3	63.2%
◆ Operating margin %*	12.6%	10.2%	2.4 pts

* Pre-goodwill charges

- ◆ Excellent year at Camera Dynamics
 - ◆ Partly boosted by Beijing Olympics
- ◆ RF Systems (2008 sales £49.3m, op. profit £9.3m)
 - ◆ US BAS market share is c. 35% (BAS contract product deliveries end H2 2009)
 - ◆ Sales structure enhanced to win new business
- ◆ Comms
 - ◆ Returned to profit due to outsourced manufacturing and new products
 - ◆ Talkdynamics acquisition enhances our IP capability
- ◆ Litepanels full-year pro-forma 2008 sales up over 50%
- ◆ Prompt cost actions taken



Imaging & Staging

16% sales growth

	<u>2008</u> <u>£m</u>	<u>2007</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	135.8	117.3	15.8%
◆ Operating profit*	15.6	17.7	(11.9%)
◆ Operating margin %*	11.5%	15.1%	(3.6 pts)

* Pre-goodwill charges and property profits

- ◆ Imaging – continued growth
 - ◆ Keen amateur sales remain robust
 - ◆ Professional sales weaker, including lighting stands
 - ◆ Encouraging forecasts for D-SLR camera sales
 - ◆ 30 new support and 50 new bag products launched
- ◆ Staging Systems – business realigned
 - ◆ Tomcat UK closed
 - ◆ Expanded Tomcat Mexico
- ◆ Margins depressed by adverse FX transaction effect (2.7 pts) and £1.2m one-off costs (0.9 pts)



Broadcast Services

Olympics benefit offset by weaker US market

	<u>2008</u> <u>£m</u>	<u>2007</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	29.3	26.7	9.7%
◆ Operating profit	1.1	1.6	(31.3%)
◆ Operating margin %	3.8%	6.0%	(2.2 pts)



- ◆ In US\$, revenue was up 1%
- ◆ Successful Beijing Olympics
- ◆ 'Hercules' fly pack used for NBC's 'Water Cube' coverage
- ◆ Underlying US rental market weaker, despite US elections
- ◆ Cost base reduced, including closure of Orlando facility

Outlook

Leveraging growth

“Products and services for the broadcast, entertainment & photographic industries”

- ◆ Leading player in multiple niche markets
- ◆ Well known brands with worldwide distribution
- ◆ Good track record on acquisitions
- ◆ Strong balance sheet, cash-generative
- ◆ Reputation for constant innovation, service, and quality

Product awards won in 2008



- Sachtler's SOOM tripod



- Manfrotto's 585 MODOSTEADY camcorder stabilisation system



- Autoscript's LED backlighting in prompts



- Litepanels' Micro Portable LED camera light



- Vinten's Vector 750 pan & tilt head



- Kata's 3N1-20 Sling Bag



- Anton/Bauer's Stasis FLEX power support system



- RF Central's RF Extreme PRX-II handheld COFDM receiver/monitor



- Nucomm's Messenger IP video file Encapsulator/Decapsulator



- Sachtler's Reporter 8 LED on-camera LED



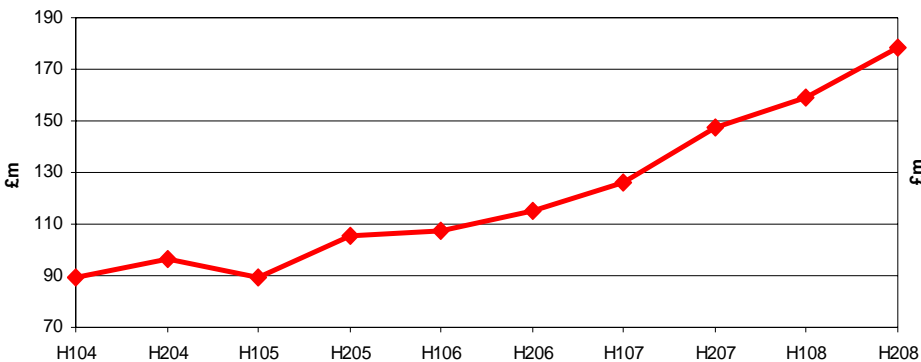
Outlook

“In 2009, orders and revenues have been in line with our expectations. However we have seen weakness in some of our Broadcast Systems businesses and experienced lower sales volumes, which have impacted our profitability. As a result we have taken further actions to reduce our cost base, the benefits of which will flow through during the course of the current year. Vitec has leading market positions and, whilst our trading visibility is limited, at this stage the Board’s view of 2009 remains in line with its expectations.”

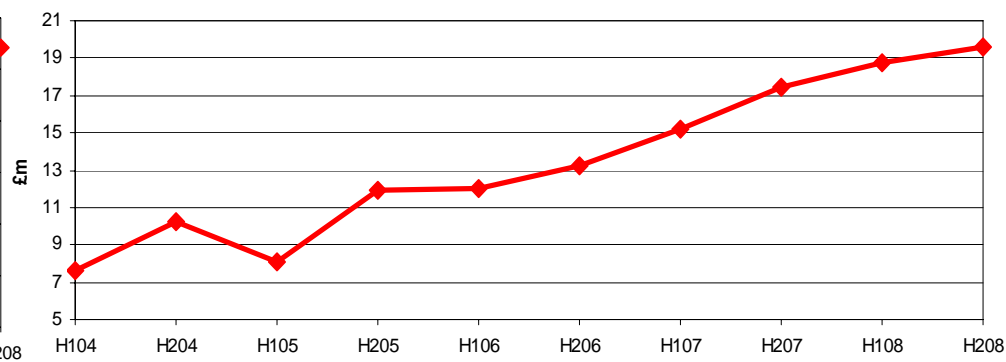
Appendices

Key financial measures: 5-year trend

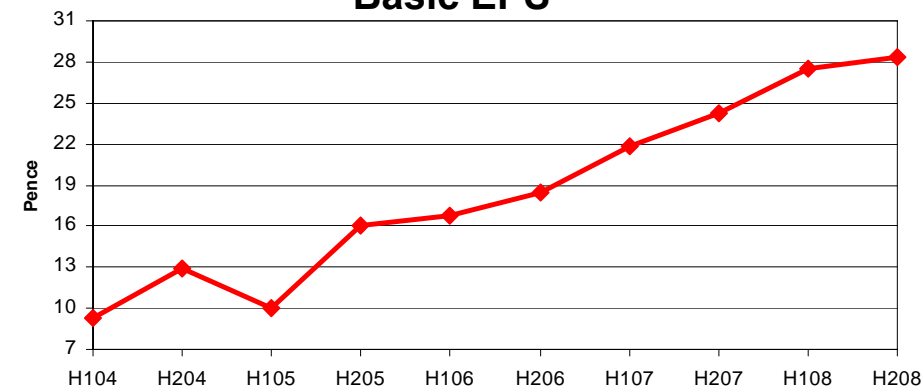
Revenue



Operating profit*



Basic EPS*



Closing net debt



*Before significant items

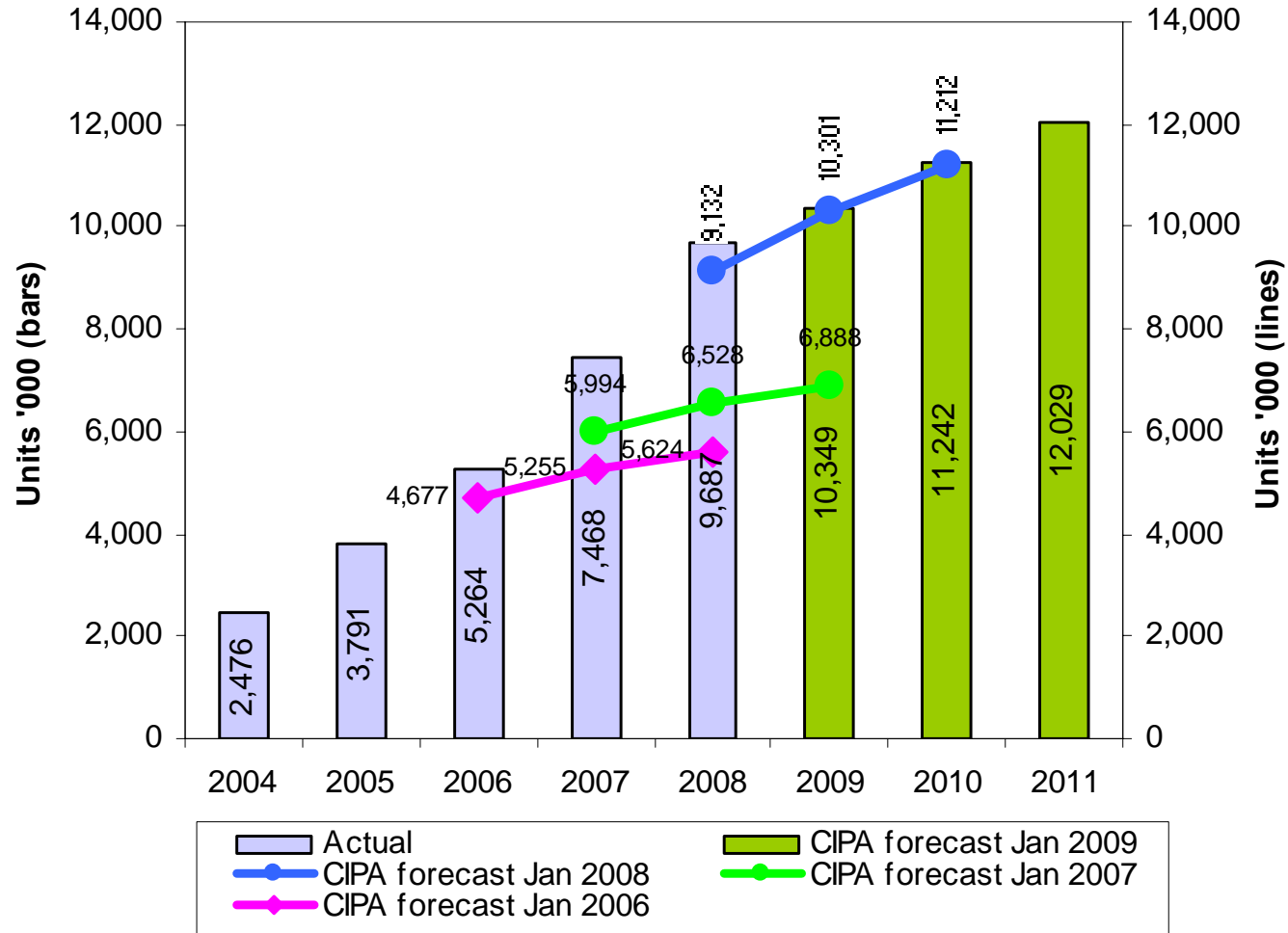
FX update

Year on year effect on profit	£/\$	€/£	£/€	Translation £m	Transaction £m	Total £m
<u>Actuals</u>						
Average spot FY03	1.63	1.13	1.45	1.2	(2.3)	(1.1)
Average spot FY04	1.82	1.24	1.47	(0.9)	(3.9)	(4.8)
Average spot FY05	1.82	1.24	1.46	0.1	(1.0)	(0.9)
Average spot FY06	1.84	1.25	1.47	(0.2)	(0.5)	(0.7)
Average spot FY07	2.00	1.37	1.47	(1.3)	(2.4)	(3.7)
<u>Guidance for FY08</u>						
3 Mar 08 (prelims)*	1.98	1.51	1.31	1.9	(3.8)	(1.9)
27 Aug 08 (interim)*	1.93	1.51	1.28	2.8	(4.3)	(1.5)
9 Jan 09 (trading update/ final)	1.85	1.46	1.26	3.8	(1.7)	2.1
<u>Guidance for FY09*</u>						
27 Aug 08 (interim)	1.85	1.48	1.25	1.4	1.1	2.5
2 Mar 09 (prelims)	1.42	1.27	1.12			> 10.0

Negatives indicate an adverse effect

* Assuming that exchange rates, current at the date shown, remained the same for the rest of the year, businesses' estimates of expected levels of sales volumes and profit activity and at the level of Group hedging in place at the date shown; average exchange rates for the year shown

Forecast growth in digital SLR shipments



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2008 Full Year Results

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