



2008 Half Year Results

Gareth Rhys Williams, Chief Executive
Alastair Hewgill, Finance Director

27 August 2008

Agenda

- ◆ Highlights – Gareth Rhys Williams
- ◆ Financial Review – Alastair Hewgill
- ◆ Divisional Review & Outlook – Gareth Rhys Williams

First half highlights

Strong result and continuing momentum

- ◆ Reported revenue growth of 26%
 - ◆ Constant currency organic revenue up by 5%
- ◆ Broadcast Systems revenues up 53%
- ◆ Imaging & Staging continues to grow
 - ◆ Strengthening euro has impacted margins
- ◆ Reported PBT up by 21%
 - ◆ Constant currency organic PBT up 11%
- ◆ Basic EPS, before significant items, up 26%
 - ◆ Tax rate down again, by 3% to 34%
- ◆ Interim dividend increased by 7.2% to 7.4p
- ◆ Litepanels acquisition announced on 22 August

Financial review

Income statement

Another excellent half year

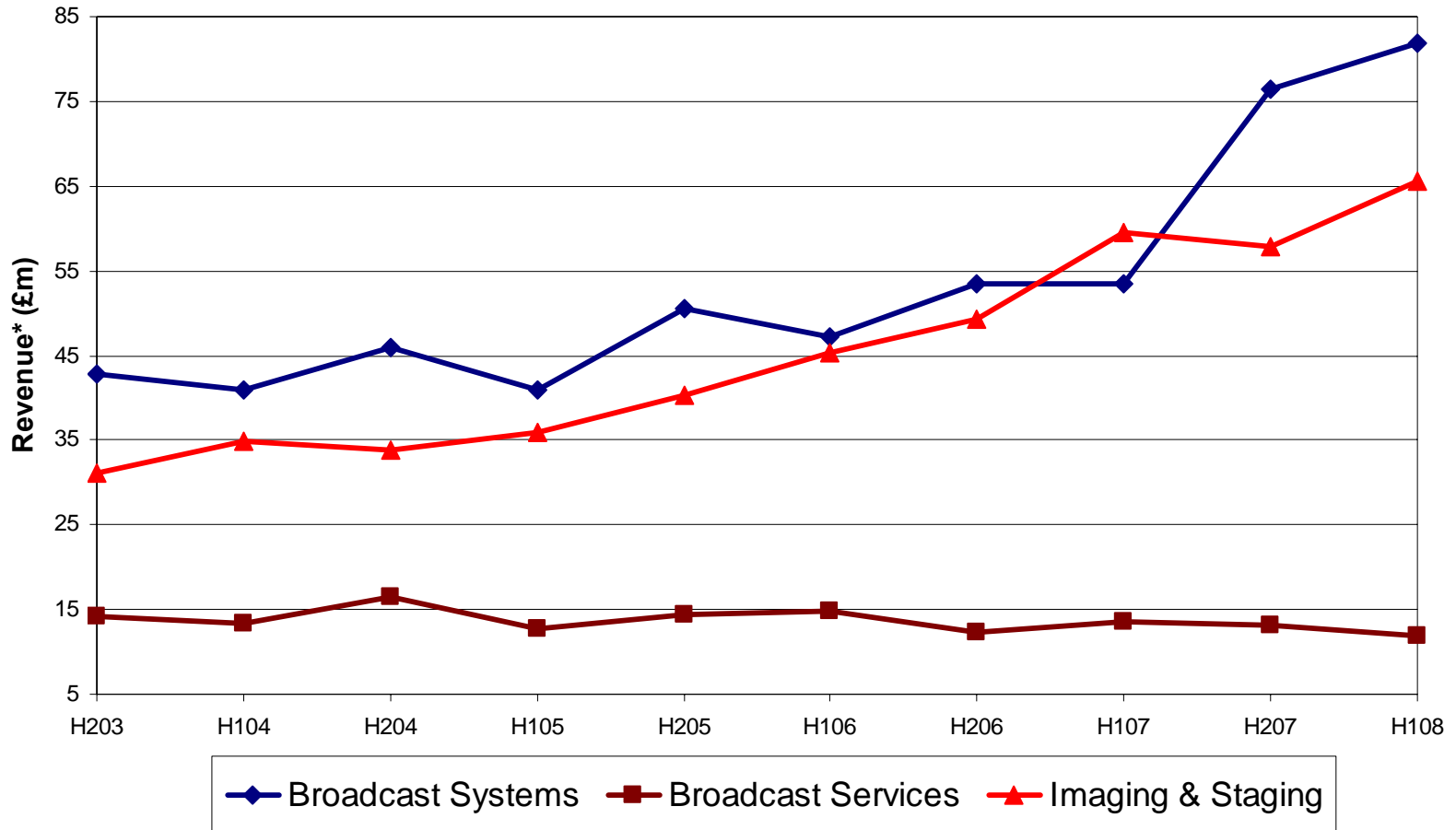
	<u>H1 2008</u> <u>£m</u>	<u>H1 2007</u> <u>£m</u>	<u>Δ</u>
◆ Revenue	159.1	126.4	+26%
◆ <i>Gross margin %</i>	41.4%	42.2%	-0.8 pts
◆ Operating profit*	18.8	15.2	+24%
◆ <i>Operating margin %</i>	11.8%	12.0%	-0.2 pts
◆ PBT*	17.3	14.3	+21%
◆ <i>Tax charge %</i>	34%	37%	-3 pts
◆ Basic earnings per share*	27.5p	21.8p	+26%

**Before amortisation of acquired intangibles, a provision against equity accounted investment and fair value adjustments relating to volatile financial instruments (significant items)*

- ◆ Headline tax rate down a further 3% to 34%
- ◆ Operating margin stable at 11.8% (2007: 12.0%)
 - ◆ Despite adverse FX transaction effect (1.6%)
- ◆ EPS up 26% to 27.5p

Divisional revenue trend*

Continuing growth in the two main divisions



* Reported Sterling, continuing operations

Revenue growth continues

On reported and constant currency bases

Constant currency growth rates

	H1 2007		FX	H1 2007* Restated	H1 2008		Δ		Acq'sition	
	Actual	£m			£m	Actual	%	Organic	%	£m
Divisional revenue										
◆ Broadcast Systems	53.4	2.5		55.9	81.8	46.3	6.7	12.0	19.2	34.3
◆ Imaging & Staging	59.5	4.1		63.6	65.5	3.0	1.9	3.0	-	-
◆ Broadcast Services	13.5	(0.1)		13.4	11.8	(11.9)	(1.6)	(11.9)	-	-
◆ Total Revenue	126.4	6.5		132.9	159.1	19.7	7.0	5.3	19.2	14.4

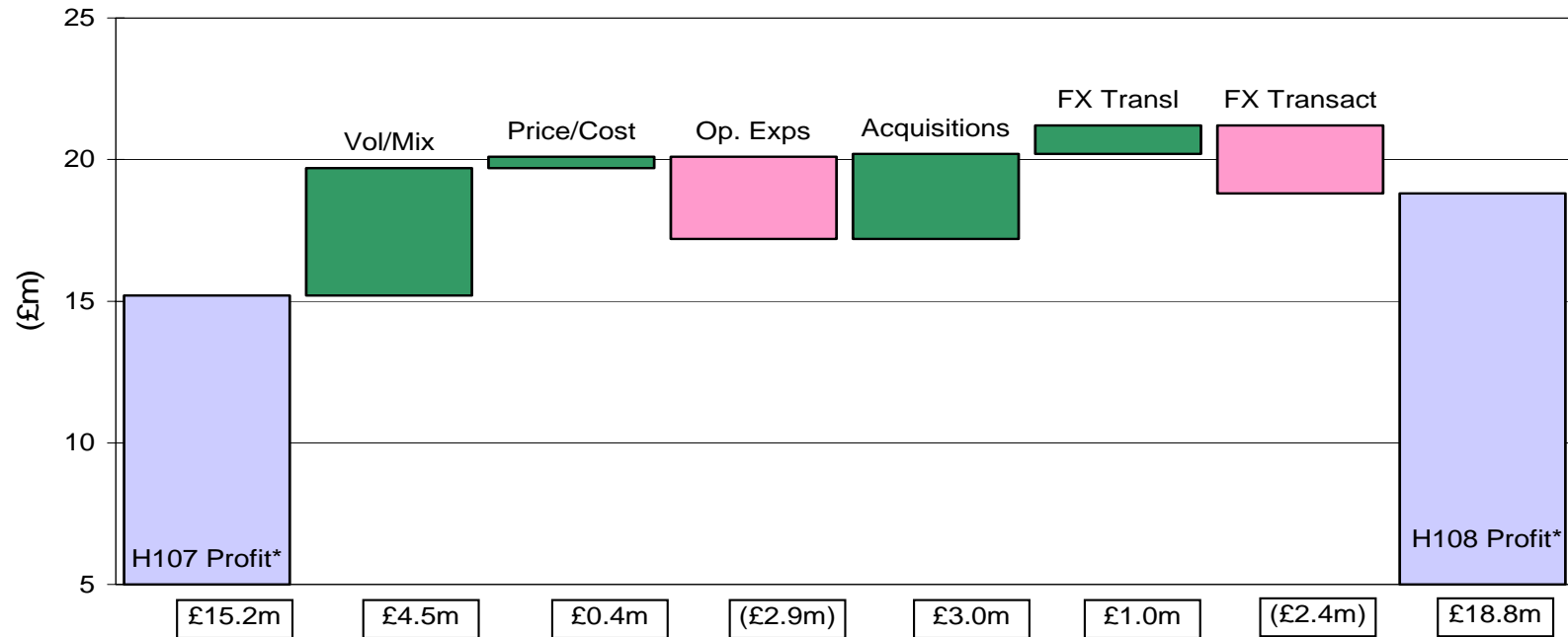
* Restated at H1 2008 average rates

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

- ◆ Broadcast Systems: Strong organic growth, principally Camera Dynamics
- ◆ Imaging & Staging: Organic growth of 3%
- ◆ Acquisition growth comes from RF Systems
 - ◆ 6 months in H1 08 vs 1 month in H1 07

Operating profit bridge

Operating profit up 31% in constant currency



*Operating profit before significant items

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- ◆ Operational leverage coming through
- ◆ Ongoing investment for growth
- ◆ Net adverse currency effect of £1.4m was worse than expected
 - ◆ Mainly adverse €/£ transaction effect in Italy

Operating cash flow

Increased profit offset by seasonal working capital

	<u>H1 2008</u> <u>£m</u>	<u>H1 2007</u> <u>£m</u>	<u>Δ</u> <u>£m</u>
◆ Operating profit*	18.8	15.2	3.6
◆ Depreciation / amortisation	9.8	6.2	3.6
◆ Working capital	(18.0)	(10.7)	(7.3)
◆ Provision against equity-accounted investment	1.3	-	1.3
◆ Provisions made / (utilised)	(0.2)	(0.2)	-
◆ Significant items	(5.0)	(1.1)	(3.9)
◆ Other	0.4	0.2	0.2
◆ Cash generated from operations	<u>7.1</u>	<u>9.6</u>	<u>(2.5)</u>

*Before amortisation of acquired intangibles, provisions against investment in equity accounted investee and fair value adjustments relating to volatile financial instruments (significant items)

- ◆ RF Systems working capital unwind of £7.4m in H1, as expected
- ◆ Seasonal working capital increase will reverse in H2
- ◆ Before RF Systems:
 - ◆ Inventory days now 127 (2007: 114), principally due to Padua logistics hub and launch of Bogen Imaging UK
 - ◆ Debtor days now 57 (2007: 54)

Free cash flow and net debt

	<u>H1 2008</u> <u>£m</u>	<u>H1 2007</u> <u>£m</u>	<u>Δ</u> <u>£m</u>
◆ Cash generated from operations	7.1	9.6	(2.5)
◆ Capital expenditure	(9.0)	(6.7)	(2.3)
◆ Proceeds of asset sales	1.0	0.4	0.6
◆ Net interest paid	(1.7)	(1.1)	(0.6)
◆ Tax paid	(1.5)	(4.7)	3.2
	<hr/>		
◆ Free cash flow	<u>(4.1)</u>	<u>(2.5)</u>	<u>(1.6)</u>
◆ Net debt	50.3	41.8	(8.5)

- ◆ Broadcast Services capital expenditure £2.9m (2007: £3.6m)
 - ◆ Olympics-related
- ◆ Lower tax payments due to US refund
- ◆ Net debt up since H1 2007 due to working capital increase

New £125m loan facility

Signed in August

- ◆ Committed until August 2013
 - ◆ Revolving multi-currency facility
- ◆ Increase of £25m to £125m
 - ◆ Allows for growth and future acquisitions
- ◆ 6 banks, including 3 new ones
- ◆ Interest costs
 - ◆ Overall, similar financial terms to the 2004 facility
 - ◆ Extra £0.2m pa related to additional £25m commitment

Sundry financial points

◆ Tax

- ◆ 34% headline charge (2007: 37%)
 - Lower rates in Italy, Germany and UK
- ◆ 2009 headline rate guidance: 34%
- ◆ Cash tax ongoing rate: c29%

◆ UK pensions

- ◆ IAS 19 deficit £1.4m (Dec 2007: £1.2m surplus)

◆ Foreign exchange

- ◆ H1 08 £1.4m adverse vs H1 07
- ◆ H2 08 £0.1m adverse vs H2 07
 - FY 2008 £1.5m worse than FY 2007
- ◆ 2009 could be c£2.5m better than 2008

FX update

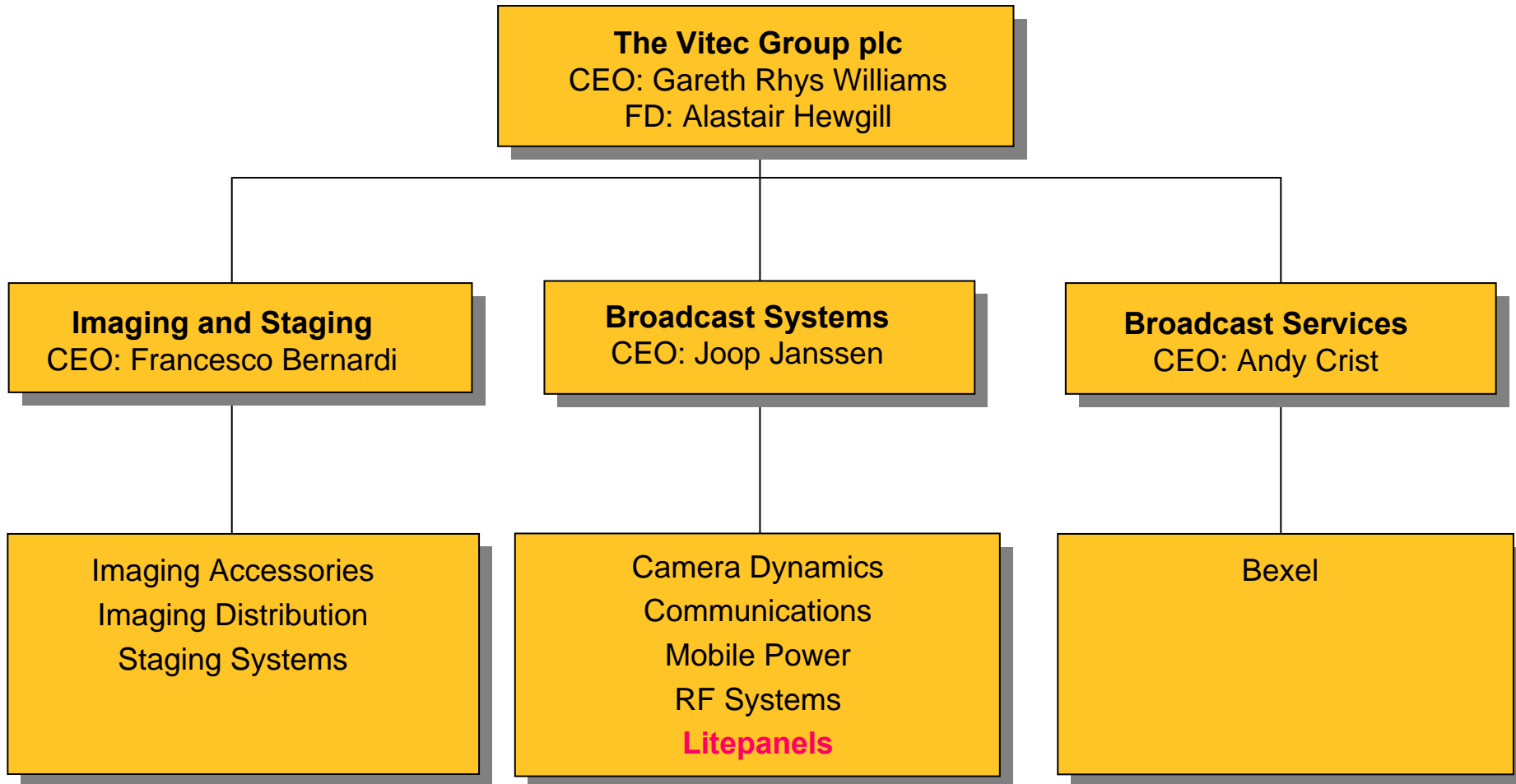
Year on Year Effect	£/\$	€/£	£/€	Translation £m	Transaction £m	Total £m
<u>Past years</u>						
Average spot 2004	1.82	1.24	1.47	(0.9)	(3.9)	(4.8)
Average spot 2005	1.82	1.24	1.46	0.1	(1.0)	(0.9)
Average spot 2006	1.84	1.25	1.47	(0.2)	(0.5)	(0.7)
Average spot 2007	2.00	1.37	1.47	(1.3)	(2.4)	(3.7)
<u>Guidance for 2008</u>						
3 Mar 08 (prelims)	1.98	1.51	1.31	1.9	(3.8)	(1.9)
15 May 08 (IMS)	1.97	1.54	1.28	2.4	(3.9)	(1.5)
16 July 08 (trading update)	2.00	1.57	1.28	2.2	(4.3)	(2.1)
<u>New Guidance</u>						
Average H1 2008	1.98	1.53	1.30	1.0	(2.4)	(1.4)
Current view of H2*	1.89	1.50	1.25	1.8	(1.9)	(0.1)
Full year 08 vs 07*	1.93	1.51	1.28	2.8	(4.3)	(1.5)
<u>Guidance 09 vs 08</u>						
Full year	1.85	1.48	1.25	1.4	1.1	2.5

Negatives indicate an adverse effect

*Assumes current rates (£/\$ 1.85; €/£ 1.48) remain the same for September to December 2008, and geographic mix is as forecast; average rates for the period shown

Divisional review

“A platform for further growth”



Broadcast Systems

Strong organic and acquisition growth

	<u>H1 2008</u> <u>£m</u>	<u>H1 2007</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	81.8	53.4	53.2%
◆ Operating profit*	11.0	4.0	175.0%
◆ Operating margin %*	13.4%	7.5%	5.9pts

* Before amortisation of acquired intangibles.

- ◆ Camera Dynamics: very strong performance
 - ◆ Partly driven by the Olympics
 - ◆ Robotics volumes growing strongly
 - ◆ Digital HD momentum continues
- ◆ RF Systems: strong performance and market share gain
 - ◆ Sales: £22.9m, profit: £3.7m
- ◆ Comms: new products gaining significant traction



Clear-Com intercoms at China TV during the Beijing Olympics

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Imaging & Staging

Continued revenue growth

	<u>H1 2008</u> <u>£m</u>	<u>H1 2007</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	65.5	59.5	10.1%
◆ Operating profit*	7.7	10.4	-26.0%
◆ Operating margin %*	11.8%	17.5%	-5.7pts

* Before amortisation of acquired intangibles

◆ Imaging

- ◆ Record sales for distribution business
 - Bogen Imaging UK launched February 2008
- ◆ Continued stream of new products
- ◆ Margins suffer adverse FX transaction effect (3.4%)
- ◆ Digital SLR shipments grew 25% in H1

◆ Staging Systems

- ◆ Lack of big projects, but 2009 pipeline looks encouraging
- ◆ Tomcat UK closure (cost £0.5m), Mexico expansion



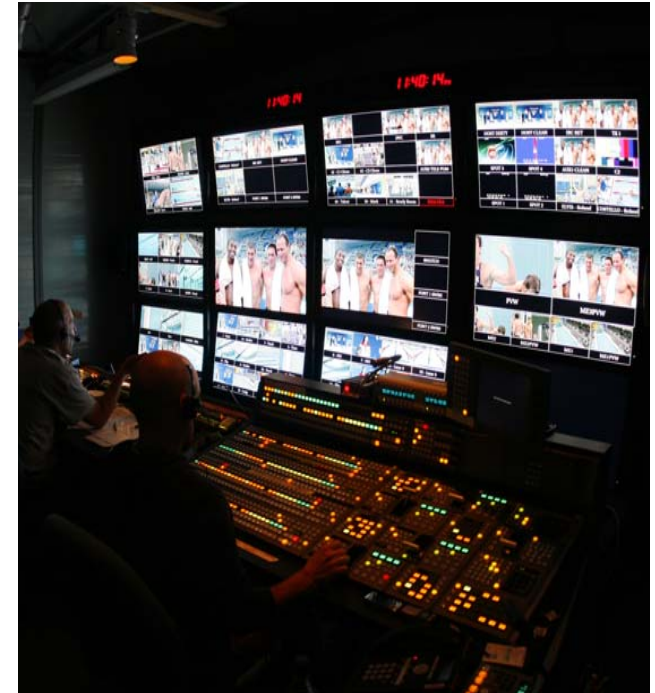
New Gitzo lightweight professional ball head

Broadcast Services

Creditable performance in weaker US market

	<u>H1 2008</u>	<u>H1 2007</u>	<u>Δ</u>
	<u>£m</u>	<u>£m</u>	<u>%</u>
◆ Revenue	11.8	13.5	-12.6%
◆ Operating profit	0.1	0.8	-87.5%
◆ Operating margin %	0.8%	5.9%	-5.1pts

- ◆ Weaker US market
 - ◆ Effect of Hollywood writers' strike
 - ◆ No back fill for H1 07 NFL fibre contract
 - ◆ £0.2m bad debt (being pursued)
- ◆ H2 will benefit from Olympics contracts
- ◆ Strategic alliances delivering tangible benefits



Bexel provided 35 tonnes of equipment for NBC and the Beijing Olympics broadcast network, including the Hercules fly pack for the Water Cube

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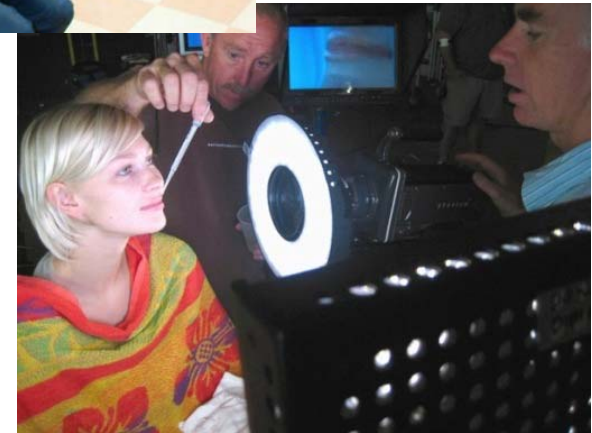
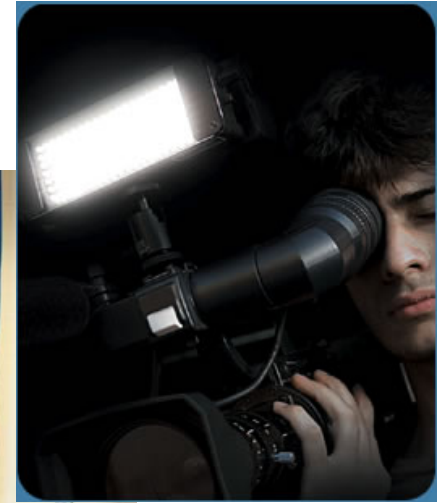
Litepanels

Litepanels

The leader in professional LED lighting

- ◆ LED lighting: 10% power delivering the same light output, generating much less heat
 - ◆ Reduced need for air conditioning
 - ◆ Much more comfortable and safer for actors and crew
 - ◆ Can be powered by portable batteries
- ◆ Overall “High brightness” LED lighting forecast to grow at 12%*
- ◆ Strong patent portfolio
- ◆ Boost worldwide sales growth by Vitec distribution
- ◆ Upfront plus earnout corresponds to roughly 5x EBIT

**Source: Strategies Unlimited, February 2008*



Outlook

“Supporting the media professional”

We have:

- ◆ Multiple growth drivers for core markets
- ◆ Wide geographic balance
- ◆ No one dominant product category

- ◆ Best in class products that will drive organic growth
- ◆ A well organised operations platform
- ◆ Pervasive worldwide distribution
- ◆ The ability to acquire
 - ◆ more product businesses
 - ◆ more distributors
- ◆ Great people

Outlook

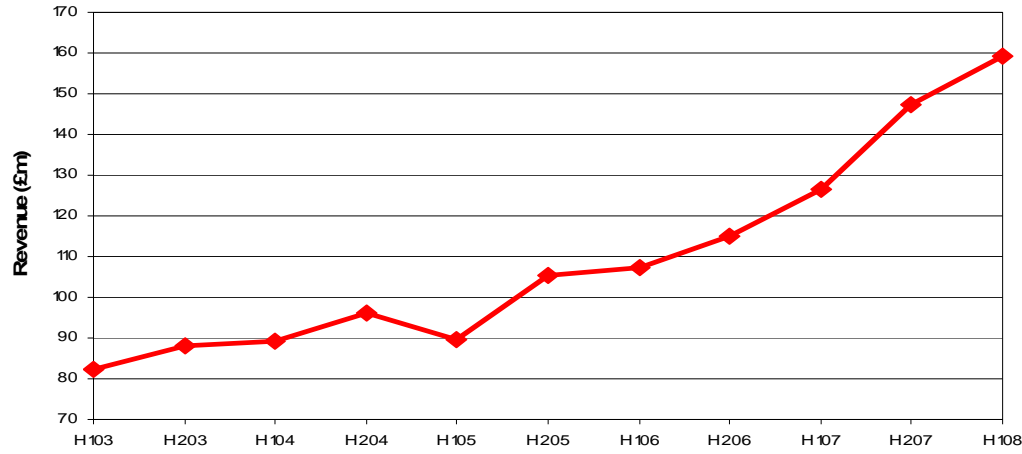
- ◆ Good order book
- ◆ Encouraging start to H2
- ◆ Broadcast Services will benefit from Olympics
- ◆ Adverse £0.1m FX impact for H2 08 at today's rates
- ◆ Litepanels will contribute fully in 2009
- ◆ Continuing to look for acquisitions that complement our premium brands

“The Board looks forward to continued progress in 2008.”

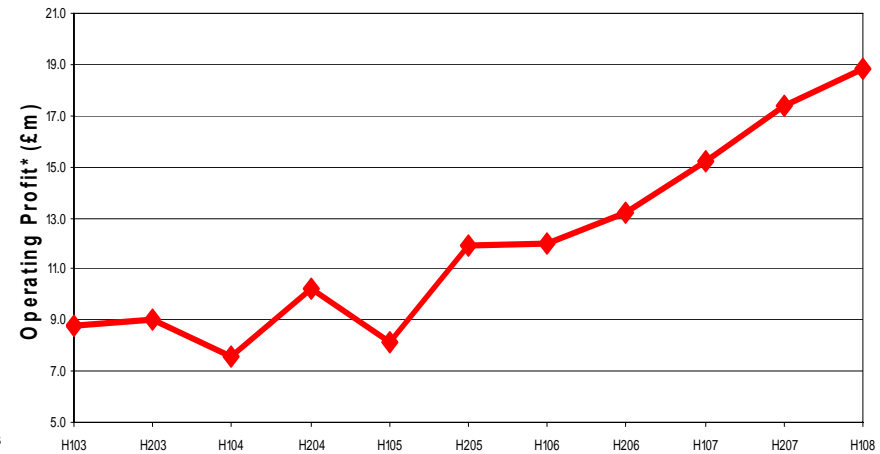
Appendices

Key financial measures: 5-year trend

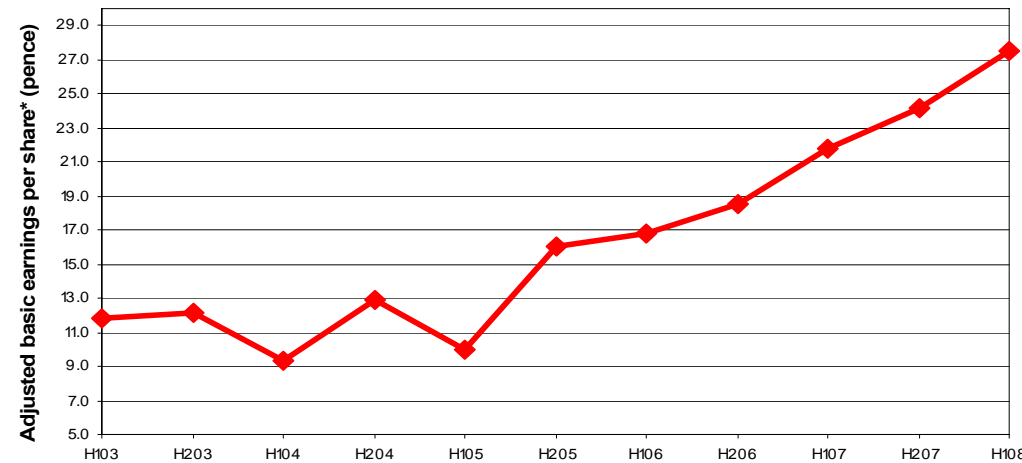
Revenue



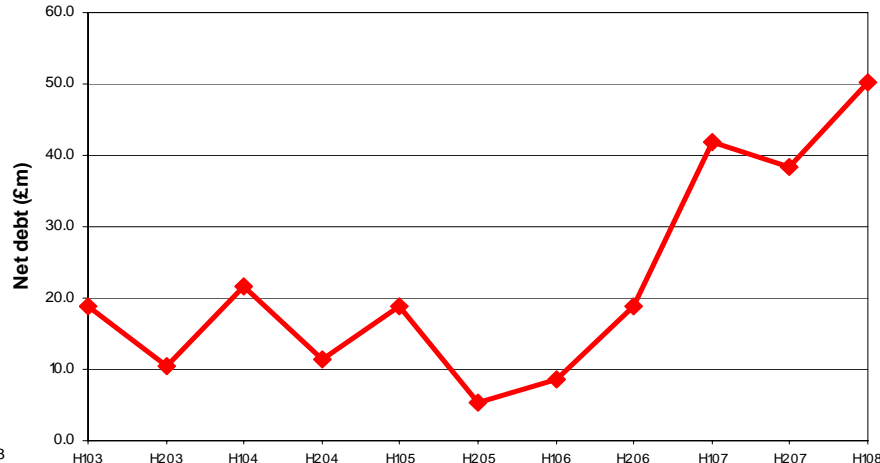
Operating profit*



Basic EPS*



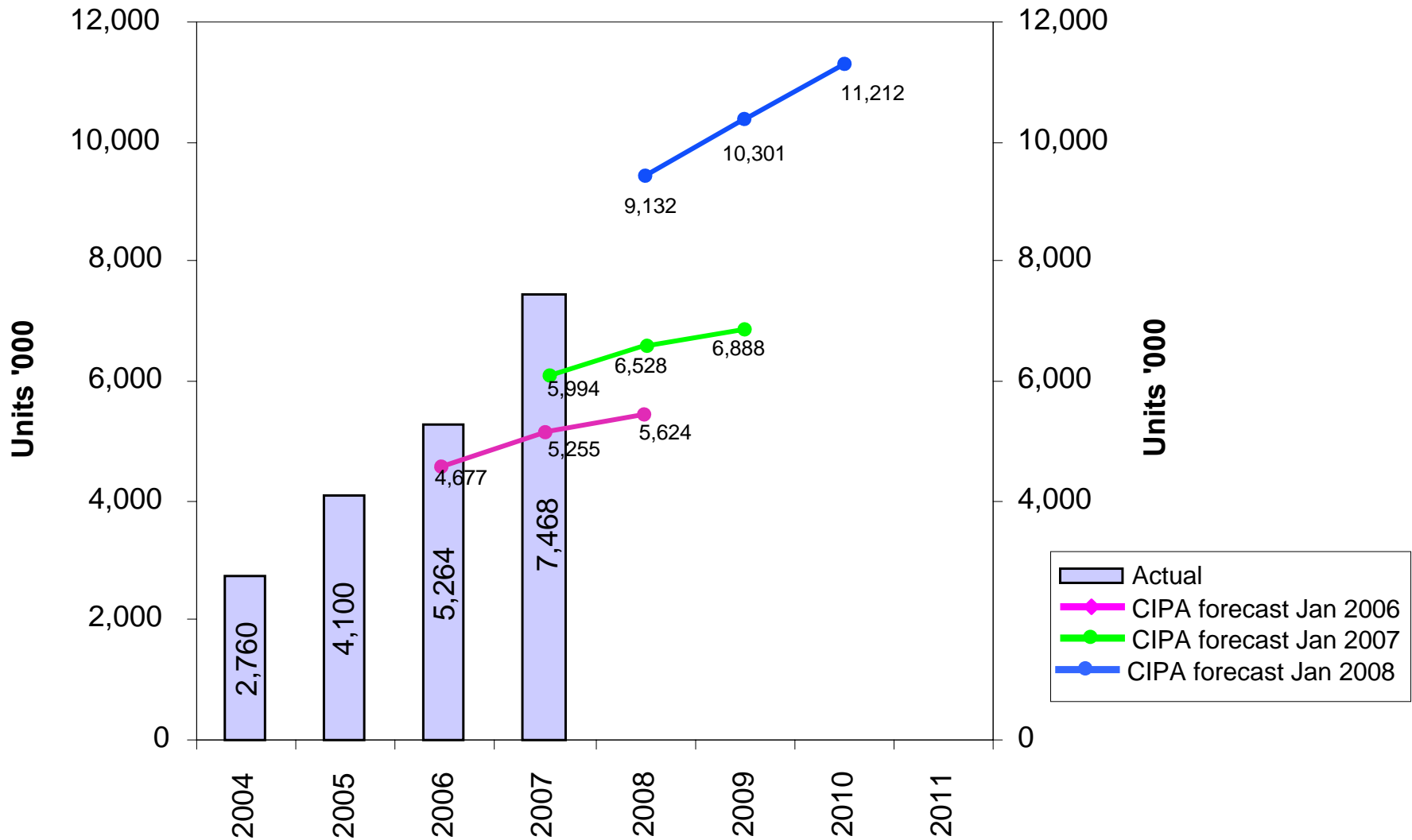
Closing net debt



Notes

1. Accounting policies: UK GAAP up to 2003, IFRS thereafter
2. * represents 'before exceptional items, goodwill' up to 2003, 'before significant items' thereafter
3. 2003 disposal of ALU: excluded from revenue and operating profit but included in EPS

CIPA forecast D-SLR growth of 22% for 2008



◆ CIPA YTD June 2008 data shows shipment units up 25% vs YTD June 2007

Product awards won in 2008 so far



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



- Sachtler's SOOM tripod



- Manfrotto's 585 MODOSTEADY camcorder stabilisation system



- Sachtler's Reporter 8 LED on-camera LED light

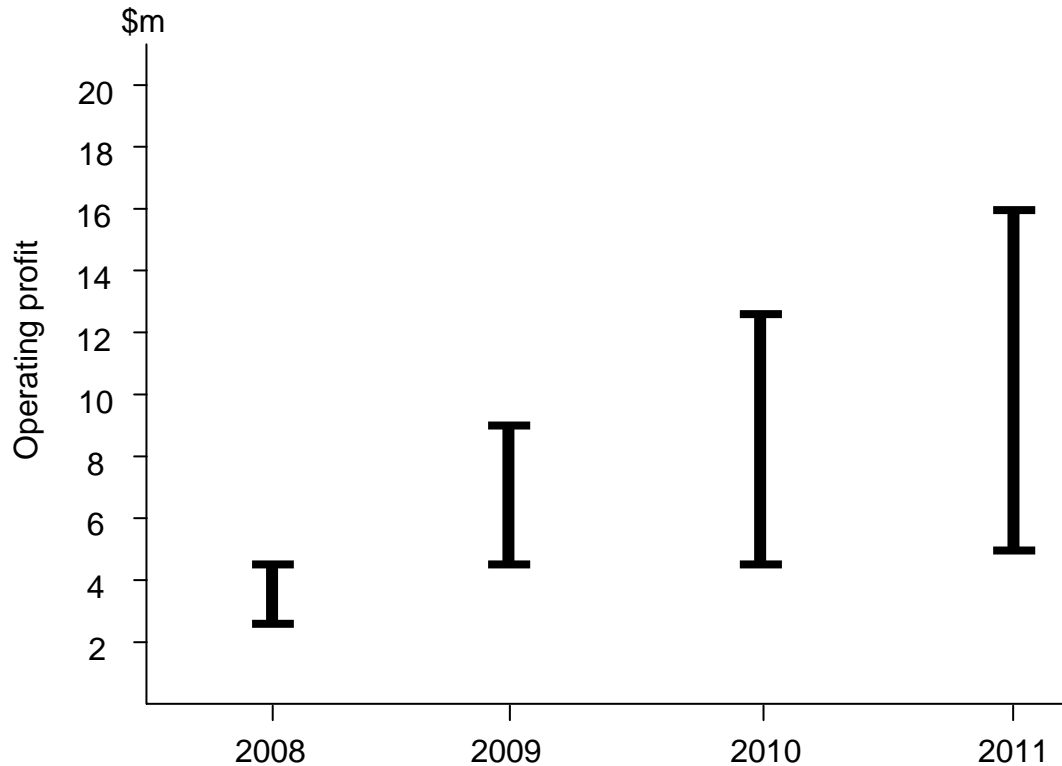


- Anton/Bauer's Stasis FLEX power support system



- Vinten's Vector 750 pan & tilt head

Litepanels: \$14.5m upfront + 4-yr earnout



- ◆ Earnout in each year dependent on EBIT performance
- ◆ Maximum earnout capped at \$50m cumulatively
- ◆ Upfront plus earnout correspond to roughly 5x EBIT

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