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22 August 2013

The Vitec Group plc

Half Year Results to 30 June 2013

A further improvement in operating margins in challenging markets

The Vitec Group plc ("Vitec" or "The Group"), the international provider of products and services for the Broadcast & Video, Photographic, and MAG (Military, Aerospace and Government) markets, announces its results for the half year ended 30 June 2013.

Results	H1 2013	H1 2012	% Change	% Change Organic CER**
Revenue	£157.6m	£176.5m	-10.7%	-9.0%
Operating profit*	**£19.8m**	**£18.9m**	**+4.8%**	**+0.0%**
Profit before tax*	**£17.6m**	**£17.5m**	**+0.6%**	**-1.6%**
Adjusted earnings per share*	**27.4p**	**27.0p**	**+1.5%**	
Operating profit	£12.3m	£17.2m	-28.5%	
Profit before tax	£10.1m	£15.8m	-36.1%	
Basic earnings per share	14.9p	24.2p	-38.4%	
Free cash flow+	£7.9m	(£2.9m)		
Net debt	£67.5m	£70.0m		
Interim dividend per share	8.9p	8.5p	+4.7%	

Key points

- **Half year results in line with expectations with a 4.8% increase in operating profit***
- **Further improvement in margins with a 190 bps increase in operating margin* to 12.6%**
- **First half sales in line with the second half of 2012 (excluding London Olympics)**
- **Videocom Division performed well in a challenging Broadcast & Video market; MAG activities benefited from contract awards**
- **Imaging Division delivered a good profit in a challenging market**
- **Restructuring and cost management to deliver increased savings**
- **Strong free cash flow+ after £3.5 million of restructuring spend**
- **We are on track to meet our full year expectations**

** Before restructuring costs and charges associated with acquired businesses. Restructuring costs in H1 2013 were £6.2 million (H1 2012: £nil) and charges associated with acquired businesses were £1.3 million for the amortisation of acquired intangible assets (H1 2012: £1.6 million), £nil of transaction costs relating to an acquisition (H1 2012: £0.3 million) and £nil contingent consideration on previous acquisitions (H1 2012: £0.2 million).*
*** Organic CER: At Constant Exchange Rates on a comparative basis, excluding year on year effect of acquisition and disposal.*
+ Free cash flow: cash generated from operations in the financial period after restructuring cash flows, net capital expenditure, net interest and tax paid.

Commenting on the results, Stephen Bird, Group Chief Executive, said:

"Overall trading was in line with our expectations during the first half of 2013 as Vitec has increased profits and further improved margins. Our revenue was below the strong first half of 2012 but the level of sales was similar to the second half of 2012 (after adjusting for the London Olympics).

Within the Videocom Division, the Broadcast & Video activities performed well in a challenging market and the Division's MAG results benefited from a $5.8 million contract with the U.S. Department of Justice. The Imaging Division made good progress despite the continuation of the more challenging market that started to impact us in the second half of last year. The Imaging Division continues to grow its market share and this will be supported by new product launches planned for later this year.

We are on target to deliver the significant cost reductions previously outlined in our 2012 full year results announcement. We will supplement these with specific rationalisation actions within our Imaging and Services Divisions which we believe will deliver further attractive returns.

Our longer-term growth prospects continue to be positive and we are well positioned to benefit from any upturn in our markets. Our order visibility remains limited but our first half year performance was consistent with our normal phasing and we are on track to meet our full year expectations."

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Notes

1. This statement is based on information sourced from management estimates.
2. H1 2013 average exchange rates: £1 = $1.54, £1 = €1.17, €1 = $1.31.
3. H1 2012 average exchange rates: £1 = $1.58, £1 = €1.21, €1 = $1.30.

Vitec is an international Group principally serving customers in the Broadcast & Video, Photographic and Military, Aerospace and Government (MAG) markets. Listed on the London Stock Exchange with 2012 revenue of £345.3 million, Vitec is based on strong, well known, premium brands on which its customers worldwide rely. Vitec is organised in three Divisions: Videocom, Imaging and Services.

Videocom designs and distributes systems and products used in broadcasting and live entertainment, film and video production and MAG.

Imaging designs, manufactures and distributes equipment and accessories for photography and video.

Services provides equipment rental, workflow design and technical support to TV production teams and film crews.

More information can be found at: *www.vitecgroup.com.*

Vitec will be presenting its results to analysts at 10.30am on Thursday 22 August 2013. An audio recording of the presentation, along with the presentation slides, will be available on our website after the meeting. Users can pre-register to access the recording and slides using the following link: http://www.vitecgroup.com/HalfYearResults2013/

H1 2013 Management & Financial Review

Vitec delivered improved margins* in each Division in the first half of 2013 in challenging markets. Our performance benefited from the restructuring actions we took in the period and from a continued focus on cost management.

Reported revenue fell by 10.7% to £157.6 million (H1 2012: £176.5 million) with organic revenue at constant currency 9.0% lower. However, after adjusting for the London Olympics and the disposal of the Staging business the underlying sales run rate was similar to the second half of 2012.

Operating expenses* were £5.9 million lower at £51.2 million through strong cost control and the initial benefit of restructuring activities. Despite the decline in revenue, the continued focus on driving profitability has led to a 4.8% increase in operating profit* to £19.8 million (H1 2012: £18.9 million) and a 190 bps improvement in operating margin* to 12.6%. First half operating profit includes £0.4 million of translation gains, mainly from the stronger US dollar.

Within our Videocom Division, the Broadcast & Video businesses improved operating margins despite lower volumes through pricing initiatives, tight cost management and the initial benefits of streamlining actions. Our MAG activities, which represent a relatively small part of this Division, benefited from the award of a $5.8 million contract from the U.S. Department of Justice that was all delivered in the first half of the year. The Imaging Division performed well in a challenging market and also increased its margin percentage as a result of tight cost control and the benefit of restructuring.

We maintained our investment in product development and innovation at 4% of Group product sales (H1 2012: 4%). We plan a number of new product launches, particularly in our Imaging Division, for later this year.

Net finance expense totalled £2.2 million (H1 2012: £1.4 million). The increase predominantly reflects the higher year-on-year interest charges from the facility arranged in mid-2012.

Profit before tax* was 0.6% higher at £17.6 million. Adjusted earnings per share* were up 1.5% at 27.4 pence per share (H1 2012: 27.0 pence per share). Group profit before tax of £10.1 million (H1 2012: £15.8 million) was after £6.2 million of restructuring costs (H1 2012: £nil) and £1.3 million charges associated with acquired businesses (H1 2012: £1.7 million).

The effective tax rate before restructuring costs and charges associated with acquired businesses has decreased to 32% (H1 2012: 33%) reflecting the mix of territories in which the profits arose. After restructuring costs and charges associated with acquired businesses, the effective tax rate was 36% (H1 2012: 33%).

There was a free cash inflow[+] of £7.9 million (H1 2012: £2.9 million outflow) predominantly due to improved working capital management. Inventory levels were £5.2 million lower than at June 2012 and receivables were £0.5 million lower (excluding the Staging business disposed of in August 2012). The H1 2013 free cash flow[+] is reported after £3.5 million of cash outflows on restructuring activities.

The net cash outflow was £0.2 million (H1 2012: £19.2 million outflow) after £1.3 million of deferred consideration paid for the Haigh-Farr acquisition (H1 2012: £8.7 million payments relating to acquisitions), £0.9 million (H1 2012: £2.2 million) for shares purchased net of new shares issued to meet share plan commitments and £5.9 million (H1 2012: £5.4 million) of dividend payments.

Net debt at 30 June 2013 was £67.5 million (31 December 2012: £63.7 million) which was in line with expectations and after a £3.6 million increase from exchange rate movements primarily from the strengthening of the US dollar (H1 2012: £0.4 million). The Group's balance sheet remains strong with a net debt to EBITDA ratio of 1.2 times (31 December 2012: 1.2 times).

The Board has declared an interim dividend of 8.9 pence per share, an increase of 4.7%, which equates to dividend cover of 3.1 times on adjusted EPS*. The dividend will be paid on 25 October 2013 to shareholders on the register at the close of business on 27 September 2013.

** Before restructuring costs and charges associated with acquired businesses. As defined on page 1 of this announcement.*

+ Cash generated from operations after net capital expenditure, net interest and tax paid.

Streamlining of operations in 2013

In the first half of 2013 there was a restructuring charge of £6.2 million relating to committed and announced restructuring plans for the streamlining of operations (H1 2012: £nil). These restructuring costs relate predominantly to redundancy costs and costs incurred in transferring activities. This is the result of the planned actions that we outlined in our 2012 full year results announcement.

These restructuring activities are progressing well. They include downsizing activities in the UK, Israel and the US and the expansion of manufacturing capabilities in Costa Rica to further shift to lower cost manufacturing.

We have decided to supplement these activities with the rationalisation of additional operations within our Imaging and Services Divisions. As a result, the one-off costs, of which the majority are anticipated to be incurred in 2013, are anticipated to increase from the previously announced estimate of £9 million to total approximately £12 million, of which £11 million will be in cash. The benefit of these restructuring plans in 2013 is also anticipated to increase correspondingly from our initial c.£3 million estimate to c.£5 million.

Videocom Division

The Videocom Division specialises in the supply of high-quality broadcast equipment principally for professionals engaged in producing video content for the media industries globally: broadcast, film and live events. This equipment is also supplied to "business and industry" users including corporate, educational and religious entities. Videocom also supplies mission-critical wireless communication products to the MAG market.

Markets

Whilst the Broadcast market has been flat, Videocom is well positioned due to its broad geographical reach and premium products. Videocom's MAG sales are dependent on the level of investment by the US Government and key US Government agencies. There continues to be investment in the market that we serve but the rate of activity remains subdued and the timing of these investments is uncertain, reflecting the impact of US budget sequestration.

	H1 2013	H1 2012	△ %
Revenue	£70.2m	£74.0m	-5.1%
Operating Profit*	£8.7m	£8.4m	+3.6%
Operating Margin*	12.4%	11.4%	+100 bps

** Before restructuring costs and charges associated with acquired businesses as defined on page 1 of this announcement.*

Operations

Videocom's revenue for H1 2013 was £70.2 million, a decrease of 5.1% from H1 2012. The order intake was only modestly behind prior year with sales reflecting the timing of shipments.

Operating profit* rose 3.6% to £8.7 million (H1 2012: £8.4 million) and operating margin improved by 100 bps to 12.4% as a result of cost control measures and the initial benefit of restructuring activities.

The restructuring within the Division is progressing well. It includes the relocation of certain manufacturing activities to Costa Rica and the streamlining of our US Broadcast and MAG operations.

Our camera supports brands continued to trade well. We have grown our sales of robotic products following increased project activity in EMEA and Asia and our Sachtler range of supports continues to show good growth.

Our Litepanels LED lighting products benefited from growth in the Asian market. We are in the process of broadening the product range to enable us to maintain our leading position in the market.

Our Anton/Bauer mobile power products experienced a challenging video market but continued to make progress in supplying batteries and chargers to power medical carts in hospitals.

Camera Corps, acquired in April 2012, is trading in line with expectations although the lack of significant sporting events this year means that we expect a lower level of sales activity. This is in comparison to 2012 where the business benefited from the UEFA Euro 2012 football championships in the first half and the London Olympics in the second half of the year.

Our MAG sales grew during the first half benefiting from a $5.8 million US Department of Justice award for transmitters and receivers. We continue to bid for significant opportunities, whilst recognising that the timing of major awards from US Government agencies is difficult to predict.

Imaging Division

The Imaging Division provides premium photographic and increasingly video equipment to both professional and non-professional users. The photographic and video equipment consists primarily of camera supports, tripods, equipment bags, lighting supports, LED lights and lighting accessories. We also supply a range of tripods, bags, lighting and other photographic products to the consumer segment as part of our Manfrotto Powerbrand sales initiative. The Division included the non-core Staging business until its disposal in August 2012.

Markets

The sale of new cameras is a key driver in the photographic market and according to the Camera & Imaging Products Association (CIPA) there has been a downturn in the shipment of interchangeable lens cameras since the same period last year. Market research data forecasts an increase in sales of interchangeable lens cameras for late 2013 and during 2014 with mirrorless or compact system cameras and wirelessly-enabled products continuing to gain market share.

The growth of sales through e-commerce is continuing as customers migrate away from independent specialist retailers.

Operations

Overall sales decreased by £15.0 million to £73.6 million on a reported basis due to the disposal of the Staging business and the continuation of the more challenging photographic market from the second half of 2012. The non-core Staging business recorded an H1 2012 loss of £0.7 million on sales of £7.0 million. The performance of the Imaging Division, excluding the Staging business, is summarised below:

Imaging (excluding Staging)	H1 2013	H1 2012	△ %
Revenue	£73.6m	£81.6m	-9.8%
Operating Profit*	£10.9m	£11.1m	-1.8%
Operating Margin*	14.8%	13.6%	+120 bps

** Before restructuring costs and charges associated with acquired businesses as defined on page 1 of this announcement.*

Revenue for H1 2013 was down by 9.8% to £73.6 million reflecting a more challenging photographic market. Independent market research data shows that we grew our market shares over the period.

Operating profit* fell by 1.8% to £10.9 million (H1 2012: £11.1 million) whist operating margin improved by 120 bps to 14.8% benefiting from pricing initiatives, restructuring activities and strong control over our cost base. The restructuring activities included the streamlining of our activities in Israel and the UK which is progressing well. We have expanded this process to streamline some of our US and European activities.

Our sales into the consumer market as part of our Powerbrand initiative continue to grow. This is supported by the introduction of a number of new products including the ‘Pixi’ and an iPhone 5 version of the ‘Klyp’ that are currently being launched into consumer retail channels.

We are continuing to develop new products for our professional and hobbyist customers including the recently launched 'BeFree', a compact lightweight support for travel photography. Further product launches are planned for the second half of the year.

We saw growth in our recently launched Manfrotto branded range of bags. Although our overall sales of bags declined, we maintained our relatively small share of this market.

Services Division

Our Services Division provides broadcast equipment rental, workflow design and technical support to television production teams and film crews. It provides a one-stop solution for producers globally, enabling customers to deliver the most demanding projects. It also enables Vitec to closely monitor changes in technology and showcase our products. The Division has a strategy of focussing on larger events, where higher levels of service are most needed, and to secure multi-year contracts.

	H1 2013	H1 2012	△ %
Revenue	£13.8m	£13.9m	-0.7%
Operating Profit*	£0.2m	£0.1m	+100.0%
Operating Margin*	1.4%	0.7%	+70 bps

** Before restructuring costs and charges associated with acquired businesses as defined on page 1 of this announcement.*

Operations

Services traded in line with our expectations and made good progress on its strategy of working closely with key customers and supporting projects where the business can add most value.

Revenue in the period was broadly flat at £13.8 million whilst in organic terms at constant exchange rates it decreased by 3.5%. This reflected the focus on large, more value-adding projects and a rationalisation of the business structure. As a result, operating profit increased to £0.2 million and margins were up by 70 bps to 1.4%.

Geographic Spread

Vitec has a broad geographic spread. In H1 2013, 45% of our revenues by destination came from North America, with the remainder split between Europe 32%, Asia-Pacific 18% and Rest of World 5%. We currently have a direct presence in 12 countries around the world: the UK, USA, Brazil, Costa Rica, France, Germany, Italy, Netherlands, Israel, Japan, China and Singapore.

Outlook

Our longer-term growth prospects continue to be positive and we are well positioned to benefit from any upturn in our markets. Our order visibility remains limited but our first half year performance was consistent with our normal phasing and we are on track to meet our full year expectations.

Going Concern

The Directors have made appropriate enquiries and consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

John McDonough CBE
Chairman

Stephen Bird
Group Chief Executive

Cautionary Statement

Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences are "forward-looking statements" within the meaning of the United States federal securities laws. These forward-looking statements reflect Vitec's current expectations concerning future events and actual results may differ materially from current expectations or historical results.

Principal risks and uncertainties

Vitec is exposed to a number of risk factors which may affect its performance. The Group has a well-established framework for reviewing and assessing these risks on a regular basis, and has put in place appropriate processes and procedures to mitigate against them. However, no system of control or mitigation can completely eliminate all risks. This is a summary of some of the principal risks facing the Group:

- **Demand for Vitec's products**

Demand for our products may be adversely affected by many factors, including changes in customer and consumer preferences and our ability to deliver appropriate products or to support changes in technology. In addition, demand may be impacted by competitor activity and demand in our target markets particularly reflecting the current uncertain economic outlook.

We value our relationships with our customers and closely monitor our target markets and user requirements. We maintain good relationships with our key customers and make appropriate investments in product development and marketing activities to ensure that we remain competitive in these markets. In order to limit the impact of the economic downturn the Group executes programmes that simplify processes, reduce costs and allow local management teams to focus more closely on their markets.

- **Major contract awards**

Our operating performance and cash flow may be dependent on the timing of major contract awards. The timing of the award of these contracts can be difficult to predict. In addition, the loss, suspension or cancellation of contracts may impact trading performance. In particular our MAG segment could be adversely impacted by a lower level of investments in the US defence budget.

We attempt to gain a good understanding of likely demand through developing close relationships with our customers. We also have a broad range of contracts that reduce our dependence on any particular contract or customer. We actively review our orders and trading outlook and manage our resources in line with anticipated activity.

- **New markets and channels of distribution**

As we enter new markets and channels of distribution we may achieve lower than anticipated trading volumes and pricing levels or higher costs and resource requirements. This may impact the levels of profitability and cash flows delivered.

We have a thorough process for assessing and planning the entry into new markets and related opportunities. This includes repositioning strategies of our products and services through marketing and advertising. We continuously assess our performance in these markets and the related opportunities and risks. We adapt our approach taking into account our actual and anticipated performance.

- **Restructuring activities**

We are restructuring some of our business activities to continue to manage our cost base and improve our margins. This includes streamlining operations by downsizing selected activities in Europe, Israel and the US and expanding manufacturing capabilities in Costa Rica to further shift to low cost manufacturing. These on-going actions are intended to better position the Group for the future whilst delivering an attractive return. Our operating performance and cash flow will be dependent on the effective delivery of these restructuring projects.

We are managing these projects by using experienced project management teams with clearly defined project plans supported by regular reporting of key tasks, financial performance and other metrics. We are separately tracking the costs and benefits of these projects to ensure that we can compare their actual performance against our expectations while monitoring the underlying results of the business. We are implementing these changes professionally including consulting with our employees during this period of change.

- **Acquisitions and disposals**

In pursuing our business strategy we continuously explore opportunities to enhance our business through development activities such as strategic acquisitions and disposals. This involves a number of calculated risks including: acquiring desired businesses on economically acceptable

terms; integrating new businesses, employees, business systems and technology; and realising satisfactory post-acquisition performance.

We mitigate these risks by having a clear acquisition strategy with a robust valuation model. Thorough due diligence processes are completed including the use of external advisers where appropriate. There is a clear focus on integrating acquired businesses and monitoring post-acquisition performance. In the last two years the Group made three acquisitions which have been successfully integrated into our business and completed the disposal of our non-core Staging business.

- **Pricing pressure**

We might experience pricing pressure including challenges in raising prices, especially in the current economic climate, or not recovering increases in commodity and other costs. If the price of products does not at least recover movements in commodity costs and other expenses and we are unable to reduce our expenses, our results could be adversely affected.

We ensure that our product and service offering remains competitive by investing in new product development, in appropriate marketing and product support and improving the management of supply chain costs. This allows us to support price increases when required by working closely with our suppliers and managing our expenses and cost base appropriately.

- **Dependence on key suppliers**

We source materials and components from many suppliers in various locations and in some instances are more dependent on a limited number of suppliers for particular items. If any of these suppliers or subcontractors fail to meet the Group’s requirements, we may not have readily available alternatives, thereby impacting our ability to provide an appropriate level of customer service.

We aim to secure multiple sources of supply for all materials and components and develop strong relationships with our major suppliers. We review the performance of strategically important suppliers globally on an on-going basis.

- **Dependence on key customers**

Whilst the Group has a wide customer base, the loss of a key customer, or a significant worsening in their success or financial performance, could result in a material impact on the Group's results.

We monitor closely our performance with all customers through developing strong relationships, analysis of sales trends and financial performance of our key customers. We continue to expand our customer base including entering into new channels of distribution to expand our portfolio of customers.

- **Employees**

We employ around 1,800 people and are exposed to a risk of being unable to retain or recruit suitable talent to support the business. We manufacture and supply products from a number of locations and it is important that our employees operate in a professional and safe environment. We are currently restructuring our business to streamline certain activities that impacts many of our employees and may have a detrimental impact on their motivation and commitment.

We recognise that it is important to motivate and retain capable people across our businesses to ensure that we are not exposed to risk of unplanned staff turnover. We fairly reward our employees and have appropriate staff recruitment, appraisal, talent management and succession planning strategies to ensure we recruit and retain good quality people across the business.

We take our employees’ health and safety very seriously and have appropriate processes in place to allow us to monitor any issues appropriately.

- **Laws and regulations**

We are subject to a comprehensive range of legal obligations in all countries in which we operate. As a result, we are exposed to many forms of legal risk. These include, without limitation, regulations relating to government contracting rules, anti-bribery provisions, competition, and health and safety laws in numerous jurisdictions around the world. Failure to comply with such laws could significantly impact the Group’s reputation and could expose the Group to fines and penalties.

We have resources dedicated to legal and regulatory compliance supported by external advice where necessary. We enhance our controls, processes and employee knowledge to maintain good governance and to comply with new laws and regulations such as the provisions of the UK Bribery Act 2010. The Group has processes in place to ensure that its worldwide business units understand and apply the Group's culture and processes to their own operations.

- **Reputation of Vitec Group**

Damage to our reputation and our brand names can arise from a range of events such as poor product performance, unsatisfactory customer service, and other events either within or outside our control.

We recognise the importance of our reputation and attempt to identify any potential issues quickly and address them appropriately. We recognise the importance of providing high quality products, good customer service and managing our business in a safe and professional manner. This requires all employees to commit to and comply with the Vitec Code of Business Conduct.

- **Exchange rates**

The global nature of the Group's business means it is exposed to volatility in currency exchange rates in respect of foreign currency denominated transactions, and the translation of net assets and income statements of foreign subsidiaries and equity accounted investments. The Group is exposed to a number of foreign currencies, the most significant being the US dollar and Euro.

We regularly review and assess our exposure to changes in exchange rates. We reduce the impact of sudden movements in exchange rates with the use of appropriate hedging activities on forecast foreign exchange net exposures. We do not hedge the translation effect of exchange rate movements on the Income Statement or Balance Sheet of overseas subsidiaries.

Responsibility statement of the Directors in respect of the Half Year Results to 30 June 2013

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting as adopted by the EU.*

The Half Year Results announcement report includes a fair review of the information required by:

(a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board

Paul Hayes

Group Finance Director

21 August 2013

Independent review report to The Vitec Group plc

Introduction
We have been engaged by the company to review the condensed set of financial statements in the Half Year results announcement for the six months ended 30 June 2013 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Balance Sheet, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the Half Year results announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities
The Half Year results announcement is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half Year results announcement in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this Half Year results announcement has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the Half Year results announcement based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Half Year results announcement for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Robert Brent
for and on behalf of KPMG Audit Plc
Chartered Accountants
15 Canada Square
London
E14 5G

21 August 2013

Condensed Consolidated Income Statement

For the half year ended 30 June 2013

	Notes	**Half year to 30 June 2013 £m**	Half year to 30 June 2012 £m	Year to 31 December 2012 £m
Revenue	2	**157.6**	176.5	345.3
Cost of sales		**(87.1)**	(100.5)	(198.1)
Gross profit		**70.5**	76.0	147.2
Operating expenses		**(58.2)**	(58.8)	(121.6)
Operating profit	2	**12.3**	17.2	25.6
Comprising				
- Operating profit before restructuring costs and charges associated with acquired businesses		**19.8**	18.9	39.3
- Restructuring costs	3	**(6.2)**	-	-
- Charges associated with acquired businesses	3	**(1.3)**	(1.7)	(13.7)
		12.3	17.2	25.6
Net finance expense	4	**(2.2)**	(1.4)	(3.1)
Disposal of business		**-**	-	(6.4)
Profit before tax		**10.1**	15.8	16.1
Comprising				
- Profit before tax, excluding restructuring costs, charges associated with acquired businesses, and disposal of business		**17.6**	17.5	36.2
- Restructuring costs	3	**(6.2)**	-	-
- Charges associated with acquired businesses	3	**(1.3)**	(1.7)	(13.7)
- Disposal of business		**-**	-	(6.4)
		10.1	15.8	16.1
Taxation	7	**(3.6)**	(5.3)	(10.2)
Profit for the period attributable to owners of the parent		**6.5**	10.5	5.9
Earnings per share	5			
Basic earnings per share		**14.9p**	24.2p	13.6p
Diluted earnings per share		**14.9p**	23.5p	13.4p
Average exchange rates				
Euro		**1.17**	1.21	1.23
US$		**1.54**	1.58	1.58

Condensed Consolidated Balance Sheet
As at 30 June 2013

	Half year to 30 June 2013 £m	Half year to 30 June 2012 £m	Year to 31 December 2012 £m
Assets			
Non-current assets			
Intangible assets	**69.6**	81.8	68.2
Property, plant and equipment	**51.1**	51.6	48.6
Trade and other receivables	**0.5**	0.6	0.5
Derivative financial instruments	**0.4**	-	0.6
Deferred tax assets	**14.9**	16.9	14.4
	136.5	150.9	132.3
Current assets			
Inventories	**63.9**	72.5	59.5
Trade and other receivables	**58.0**	62.1	50.1
Derivative financial instruments	**1.3**	1.0	1.8
Current tax assets	**0.3**	0.1	1.0
Cash and cash equivalents	**10.0**	8.9	10.0
	133.5	144.6	122.4
Total assets	**270.0**	295.5	254.7
Liabilities			
Current liabilities			
Bank overdrafts	**0.5**	0.9	0.7
Trade and other payables	**47.8**	59.9	44.4
Derivative financial instruments	**0.5**	1.6	0.1
Current tax liabilities	**7.1**	10.6	6.6
Provisions	**3.3**	3.2	2.5
	59.2	76.2	54.3
Non-current liabilities			
Interest-bearing loans and borrowings	**77.0**	78.0	73.0
Derivative financial instruments	**0.3**	0.4	-
Other payables	**1.4**	1.4	1.0
Post-employment obligations	**8.5**	10.2	9.4
Provisions	**1.1**	1.3	1.2
Deferred tax liabilities	**1.4**	0.6	1.2
	89.7	91.9	85.8
Total liabilities	**148.9**	168.1	140.1
Net assets	**121.1**	127.4	114.6
Equity			
Share capital	**8.8**	8.8	8.8
Share premium	**10.8**	10.1	10.4
Translation reserve	**4.6**	3.8	(2.0)
Capital redemption reserve	**1.6**	1.6	1.6
Cash flow hedging reserve	**0.4**	(0.4)	1.5
Retained earnings	**94.9**	103.5	94.3
Total equity	**121.1**	127.4	114.6
Balance Sheet exchange rates			
Euro	**1.17**	1.25	1.23
US$	**1.52**	1.56	1.63

Consolidated Statement of Comprehensive Income

For the half year ended 30 June 2013

	Half year to 30 June 2013	Half year to 30 June 2012	Year to 31 December 2012
	£m	£m	£m
Profit for the period	**6.5**	10.5	5.9
Other comprehensive income:			
Items that will not be reclassified subsequently to profit and loss:			
Remeasurements of the defined benefit liability, net of tax	**1.0**	(4.2)	(3.8)
Items that may be reclassified subsequently to profit and loss:			
Foreign exchange gain recycled to the Income Statement on disposal of business	**-**	-	(2.0)
Currency translation differences on foreign currency subsidiaries	**10.9**	(2.7)	(8.2)
Net (loss)/gain on designated effective net investment hedges	**(4.3)**	0.7	2.4
Amounts released to Income Statement in relation to cash flow hedges, net of tax	**(0.4)**	(0.3)	0.3
Effective portion of changes in fair value of cash flow hedges	**(0.7)**	0.8	2.1
	5.5	(1.5)	(5.4)
Total comprehensive income/(loss) for the period attributable to owners of the parent	**13.0**	4.8	(3.3)

Consolidated Statement of Changes in Equity

For the half year ended 30 June 2013

	Share capital	Share premium	Translation reserve	Capital redemption reserve	Cash flow hedging reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2013	**8.8**	**10.4**	**(2.0)**	**1.6**	**1.5**	**94.3**	**114.6**
Total comprehensive income for the period							
Profit for the period	**-**	**-**	**-**	**-**	**-**	**6.5**	**6.5**
Other comprehensive income							
Remeasurements of the defined benefit liability, net of tax	**-**	**-**	**-**	**-**	**-**	**1.0**	**1.0**
Currency translation differences on foreign currency subsidiaries	**-**	**-**	**10.9**	**-**	**-**	**-**	**10.9**
Net loss on designated effective net investment hedges	**-**	**-**	**(4.3)**	**-**	**-**	**-**	**(4.3)**
Amounts released to Income Statement in relation to cash flow hedges, net of tax	**-**	**-**	**-**	**-**	**(0.4)**	**-**	**(0.4)**
Effective portion of changes in fair value of cash flow hedges	**-**	**-**	**-**	**-**	**(0.7)**	**-**	**(0.7)**
Contributions by and distributions to owners							
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(5.9)**	**(5.9)**
Own shares purchased	**-**	**-**	**-**	**-**	**-**	**(1.3)**	**(1.3)**
Share-based payment charge	**-**	**-**	**-**	**-**	**-**	**0.3**	**0.3**
New shares issued	**-**	**0.4**	**-**	**-**	**-**	**-**	**0.4**
Balance at 30 June 2013	**8.8**	**10.8**	**4.6**	**1.6**	**0.4**	**94.9**	**121.1**

	Share capital	Share premium	Translation reserve	Capital redemption reserve	Cash flow hedging reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2012	8.7	9.8	5.8	1.6	(0.9)	104.3	129.3
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	10.5	10.5
Other comprehensive income							
Remeasurements of the defined benefit liability, net of tax	-	-	-	-	-	(4.2)	(4.2)
Currency translation differences on foreign currency subsidiaries	-	-	(2.7)	-	-	-	(2.7)
Net gain on designated effective net investment hedges	-	-	0.7	-	-	-	0.7
Amounts released to Income Statement in relation to cash flow hedges, net of tax	-	-	-	-	(0.3)	-	(0.3)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	0.8	-	0.8
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(5.4)	(5.4)
Own shares purchased	-	-	-	-	-	(2.6)	(2.6)
Share-based payment charge	-	-	-	-	-	0.9	0.9
New shares issued	0.1	0.3	-	-	-	-	0.4
Balance at 30 June 2012	8.8	10.1	3.8	1.6	(0.4)	103.5	127.4

Condensed Consolidated Statement of Cash Flows
For the half year ended 30 June 2013

	Notes	**Half year to 30 June 2013**	Half year to 30 June 2012	Year to 31 December 2012
		£m	£m	£m
Cash flows from operating activities				
Profit for the period		**6.5**	10.5	5.9
Adjustments for:				
Taxation		**3.6**	5.3	10.2
Depreciation		**6.1**	6.1	12.6
Amortisation of intangible assets		**2.4**	2.5	5.2
Impairment of goodwill		**-**	-	8.8
Net gain on disposal of property, plant and equipment and software		**(0.5)**	(0.4)	(0.3)
Fair value losses/(gains) on derivative financial instruments		**-**	0.2	(0.2)
Share-based payment charge		**0.3**	0.9	1.8
Contingent consideration on previous acquisitions		**-**	(0.2)	1.0
Disposal of business		**-**	-	6.4
Net finance expense		**2.2**	1.4	3.1
Operating profit before changes in working capital and provisions		**20.6**	26.3	54.5
Decrease/(increase) in inventories		**(1.2)**	(6.9)	1.3
Decrease /(increase) in receivables		**(5.6)**	(11.5)	(4.4)
(Decrease)/increase in payables		**2.3**	1.6	(11.8)
(Decrease)/increase in provisions		**1.7**	(0.9)	(1.2)
Cash generated from operating activities		**17.8**	8.6	38.4
Interest paid		**(1.8)**	(1.3)	(3.1)
Tax paid		**(2.3)**	(2.1)	(10.8)
Net cash from operating activities		**13.7**	5.2	24.5
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment and software		**1.3**	0.5	1.8
Purchase of property, plant and equipment		**(6.7)**	(7.7)	(14.2)
Capitalisation of software and development costs		**(0.4)**	(0.9)	(1.3)
Acquisition of businesses, net of cash acquired		**(1.3)**	(8.7)	(10.6)
Disposal of business		**-**	-	(2.1)
Net cash used in investing activities		**(7.1)**	(16.8)	(26.4)
Cash flows from financing activities				
Proceeds from the issue of shares		**0.4**	0.4	0.7
Own shares purchased		**(1.3)**	(2.6)	(4.8)
(Repayment)/proceeds of interest-bearing loans and borrowings		**(0.3)**	22.1	18.8
Dividends paid		**(5.9)**	(5.4)	(9.1)
Net cash used in financing activities		**(7.1)**	14.5	5.6
Increase/(decrease) in cash and cash equivalents	8	**(0.5)**	2.9	3.7
Cash and cash equivalents at 1 January		**9.3**	6.2	6.2
Effect of exchange rate fluctuations on cash held		**0.7**	(1.1)	(0.6)
Cash and cash equivalents at the end of period	**8**	**9.5**	8.0	9.3

[1] Cash and cash equivalents include bank overdrafts in the balance sheet

1 Accounting policies

Reporting entity

The Vitec Group plc (the Company) is a company domiciled in the United Kingdom. These condensed consolidated interim financial statements as at and for the six months ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the Group).

Basis of preparation and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. Except as described below, the accounting policies applied in the preparation of this interim financial information are consistent with the policies applied by the Group in the consolidated financial statements as at and for the year ended 31 December 2012 which were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. It does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

The comparative figures for the year ended 31 December 2012 do not constitute statutory accounts for the purpose of section 435 of the Companies Act 2006. The auditors have reported on the 2012 accounts, and these have been filed with the Registrar of Companies; their report was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

These condensed consolidated interim financial statements were approved by the Board of Directors on 21 August 2013.

Changes in Accounting Policies

The Group has adopted the following new standards and amendments to published standards with a date of initial application of 1 January 2013. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2013.

The Group has adopted IAS 19 'Employee Benefits (2011)' as of 1 January 2013. The principal changes require the replacement of the interest income on plan assets and the interest charge on pension liabilities with a single net financing cost, based on the discount rate. Previously, the Group determined interest income on plan assets based on their long-term rate of expected return. The change had no significant impact on the consolidated interim financial statements, and accordingly, the 2012 comparatives have not been restated.

The Group has adopted IFRS 13 'Fair Value Measurement' as of 1 January 2013 which replaces and expands the disclosure requirements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. Some of the disclosures are specifically required in interim financial statements for financial instruments. These had no significant impact on the consolidated interim financial statements, and accordingly, the Group has not provided these disclosures or 2012 comparatives.

As a result of the amendment to IAS 1 'Presentation of financial statements', the Group has modified the presentation of items of other comprehensive income in its condensed consolidated statement of other comprehensive income, to present separately items that would be reclassified to the consolidated income statement in the future from those that would never be. Comparative information has also been re-presented accordingly. The adoption of the amendment to IAS 1 has had no impact on the recognised assets, liabilities and comprehensive income of the Group.

2 Segment reporting

Reportable segments

For the half year ended 30 June 2013

	Videocom		Imaging[2]		Services		Corporate and unallocated		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
Revenue from external customers:										
Sales	**68.7**	71.7	**73.6**	88.6	**3.6**	2.8	**-**	-	**145.9**	163.1
Services	**1.5**	2.3	**-**	-	**10.2**	11.1	**-**	-	**11.7**	13.4
Total revenue from external customers	**70.2**	74.0	**73.6**	88.6	**13.8**	13.9	**-**	-	**157.6**	176.5
Inter-segment revenue [1]	**1.2**	1.3	**0.3**	0.1	**-**	0.1	**(1.5)**	(1.5)	**-**	-
Total revenue	**71.4**	75.3	**73.9**	88.7	**13.8**	14.0	**(1.5)**	(1.5)	**157.6**	176.5
Segment result	**8.7**	8.4	**10.9**	10.4	**0.2**	0.1	**-**	-	**19.8**	18.9
Restructuring costs	**(3.0)**	-	**(2.7)**	-	**(0.5)**	-	**-**	-	**(6.2)**	-
Fair value adjustment to contingent consideration on previous acquisitions	**-**	-	**-**	0.2	**-**	-	**-**	-	**-**	0.2
Transaction costs relating to acquisitions	**-**	(0.3)	**-**	-	**-**	-	**-**	-	**-**	(0.3)
Amortisation of acquired intangible assets	**(1.0)**	(1.4)	**(0.3)**	(0.2)	**-**	-	**-**	-	**(1.3)**	(1.6)
Operating profit	**4.7**	6.7	**7.9**	10.4	**(0.3)**	0.1	**-**	-	**12.3**	17.2
Net finance expense									**(2.2)**	(1.4)
Taxation									**(3.6)**	(5.3)
Profit for the period									**6.5**	10.5

[1] Inter-segment pricing is determined on an arm's length basis

[2] The first half of 2012 includes Staging business, which was sold by the Group during the second half of 2012.

Geographical segments

For the half year ended 30 June 2013

	Half year to 30 June 2013	Half year to 30 June 2012	Year to 31 December 2012
	£m	£m	£m
Analysis of revenue from external customers, by location of customer			
United Kingdom	**13.3**	14.8	32.9
The rest of Europe	**36.4**	42.8	79.4
North America	**71.4**	79.1	155.5
Asia Pacific	**27.9**	30.1	60.4
The rest of the World	**8.6**	9.7	17.1
Total revenue from external customers	**157.6**	176.5	345.3

The Group's operating segments are located in several geographical locations, and sell products and services on to external customers in all parts of the world.

3 Restructuring costs and charges associated with acquired businesses

Restructuring costs and charges associated with acquired businesses are excluded from key performance measures in order to more accurately show the underlying current business performance of the Group in a consistent manner and reflect how the business is managed and measured on a day-to-day basis. Restructuring costs include employment termination costs, and other site rationalisation and closure costs. Charges associated with acquired businesses include non-cash charges such as impairment of goodwill and amortisation of acquired intangible assets, and cash charges such as transaction costs and fair value adjustments to contingent consideration since date of acquisition.

Restructuring costs and charges associated with acquired businesses comprise the following:

	Half year to 30 June 2013 £m	Half year to 30 June 2012 £m	Year to 31 December 2012 £m
Restructuring costs [1]	**(6.2)**	-	-
Contingent consideration since date of acquisition	**-**	0.2	(1.0)
Transaction costs relating to acquisitions	**-**	(0.3)	(0.3)
Impairment of goodwill	**-**	-	(8.8)
Amortisation of acquired intangible assets	**(1.3)**	(1.6)	(3.6)
Restructuring cost and charges associated with acquired businesses, before tax	**(7.5)**	(1.7)	(13.7)
Tax on restructuring costs and charges associated with acquired businesses	**2.0**	0.5	1.3
Restructuring costs and charges associated with acquired businesses, net of tax	**(5.5)**	(1.2)	(12.4)

[1] One-off restructuring costs of £6.2 million relate to the Group streamlining certain operations by downsizing selected activities in the UK, Israel and US and expanding its manufacturing capabilities in Costa Rica to further shift to lower cost manufacturing. This includes employment termination costs of £4.7 million and other site rationalisation and closure costs of £1.5 million. Of the total £6.2 million restructuring costs, £0.5 million is included in cost of sales and the remaining £5.7 million in operating expenses. A provision of £2.7 million has been recognised at the end of the period in relation to restructuring. These planned actions are intended to better position the Group for the future.

4 Net finance expense

	Half year to 30 June 2013 £m	Half year to 30 June 2012 £m	Year to 31 December 2012 £m
Net currency translation (losses)/gains	**(0.2)**	0.1	0.3
Interest payable on interest-bearing loans and borrowings	**(1.8)**	(1.4)	(3.2)
Net interest charge on defined benefit pension scheme liabilities	**(0.2)**	(0.1)	(0.2)
Net finance expense	**(2.2)**	(1.4)	(3.1)

5 Earnings per ordinary share

Earnings per share ("EPS") is the amount of post-tax profit attributable to each share.

Basic EPS is calculated on the profit for the period divided by the weighted average number of ordinary shares in issue during the year.

Diluted EPS is calculated on the profit for the period divided by the weighted average number of ordinary shares in issue during the year, but adjusted for the effects of dilutive share options.

The Adjusted EPS measure is used by Management to assess the underlying performance of the ongoing businesses, and therefore excludes restructuring costs and charges associated with acquired businesses.

The calculation of basic, diluted and adjusted EPS is set out below:

Profit	**Half year to 30 June 2013 £m**	Half year to 30 June 2012 £m
Profit for the financial period	**6.5**	10.5
Add back:		
Restructuring costs and charges associated with acquired businesses, net of tax	**5.5**	1.2
Earnings before restructuring costs and charges associated with acquired businesses	**12.0**	11.7

	Half year to 30 June		Half year to 30 June		Half year to 30 June	
	2013 No	2012 No	**2013 pence**	2012 pence	**2013 pence**	2012 pence
	Weighted average number of shares '000		Adjusted earnings per share		Earnings per share	
Basic	**43,762**	43,369	**27.4**	27.0	**14.9**	24.2
Dilutive potential ordinary shares:						
- Employee share options	**249**	1,344	**(0.2)**	(0.8)	**-**	(0.7)
Diluted	**44,011**	44,713	**27.2**	26.2	**14.9**	23.5

6 Interim dividend

After the balance sheet date, an interim dividend of 8.9 pence per share has been declared by the Directors, totalling £3.9 million (2012: 8.5 pence per share totalling £3.7 million). The dividend has not been provided for at half year and there are no tax consequences.

The dividend will be paid on Friday 25 October 2013 to shareholders on the register at the close of business on Friday 27 September 2013. The Company has a Dividend Reinvestment Plan that allows shareholders to reinvest dividends to purchase additional shares in the Company. For shareholders to apply the proceeds of this and future dividends to the plan, application forms must be received by the Company's Registrars by no later than Monday 30 September 2013. Existing participants in the Plan will automatically have the interim dividend reinvested. Details on the Plan can be obtained from Capita Registrars on 0871 664 0381 or at www.capitaregistrars.com. Calls cost 10p per minute plus network extras, lines are open 8.30am to 5.30pm Monday to Friday.

7 Taxation

	Half year to 30 June 2013	Half year to 30 June 2012	Year to 31 December 2012
	£m	£m	£m
Before restructuring costs and charges associated with acquired businesses			
Current tax	**5.4**	6.4	9.8
Deferred tax	**0.2**	(0.6)	2.1
	5.6	5.8	11.9
Restructuring costs and charges associated with acquired businesses			
Current tax [1]	**(2.2)**	(0.4)	-
Deferred tax [2]	**0.2**	(0.1)	(1.7)
	(2.0)	(0.5)	(1.7)
Summarised in the Income Statement as follows			
Current tax	**3.2**	6.0	9.8
Deferred tax	**0.4**	(0.7)	0.4
	3.6	5.3	10.2

(1) Current tax credits of £2.2 million were recognised with a corresponding credit to restructuring costs and charges associated with acquired businesses, in 2013. £1.6 million of this represents the tax deduction associated with the restructuring costs, the remaining £0.6 million represents the current tax impact of the amortisation of intangible assets in the period.

(2) Deferred tax charges of £0.2 million have been recognised relating to the deferred tax impacts of the amortisation of intangible assets.

8 Analysis of net debt

The table below analyses the Group's components of net debt and their movements in the period:

	Half year to 30 June 2013	Half year to 30 June 2012	Year to 31 December 2012
	£m	£m	£m
Increase/(decrease) in cash and cash equivalents	**(0.5)**	2.9	3.7
Repayment/(proceeds) of interest-bearing loans and borrowings	**0.3**	(22.1)	(18.8)
Increase in net debt resulting from cash flows	**(0.2)**	(19.2)	(15.1)
Effect of exchange rate fluctuations on cash held	**0.7**	(1.1)	(0.6)
Effect of exchange rate fluctuations on debt held	**(4.3)**	0.7	2.4
Effect of exchange rate fluctuations on net debt	**(3.6)**	(0.4)	1.8
Movements in net debt in the period	**(3.8)**	(19.6)	(13.3)
Net debt at 1 January	**(63.7)**	(50.4)	(50.4)
Net debt at the end of period	**(67.5)**	(70.0)	(63.7)
Cash and cash equivalents in the Balance Sheet	**10.0**	8.9	10.0
Bank overdrafts	**(0.5)**	(0.9)	(0.7)
Cash and cash equivalents in the Statement of Cash Flows	**9.5**	8.0	9.3
Interest-bearing loans and borrowings	**(77.0)**	(78.0)	(73.0)
Net debt at the end of period	**(67.5)**	(70.0)	(63.7)