VITEC GROUP Capture the moment™

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO THE SAME WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION. THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

4 August 2016

The Vitec Group plc

Half Year Results to 30 June 2016

Revenue and operating profit* growth

The Vitec Group plc ("Vitec" or "the Group"), the international provider of products and services for the Broadcast and Photographic markets, announces its results for the half year ended 30 June 2016.

Results	H1 2016	H1 2015	% Change	% Change *at constant exchange rates*
Revenue	£171.1m	£155.9m	+9.7%	+3.1%
Operating profit*	**£17.4m**	**£16.4m**	**+6.1%**	**-5.2%**
Profit before tax*	**£15.5m**	**£14.6m**	**+6.2%**	**-6.4%**
Adjusted earnings per share*	**24.5p**	**23.0p**	**+6.5%**	
Interim dividend per share	**9.9p**	**9.5p**	**+4.2%**	
Operating profit	£12.6m	£13.8m		
Profit before tax	£10.7m	£12.0m		
Basic earnings per share	17.1p	18.9p		
Free cash flow+	£22.6m	£3.3m		
Net debt	£72.8m	£81.5m		

Key Points

- **First half results in line with our expectations**
- **Delivering on strategy to drive sales in new technologies and APAC**
- **As anticipated, foreign exchange beneficial in period**
- **Broadcast Division increased revenue despite anticipated non-repeat of Haigh-Farr higher margin antennas contracts which impacted profit**
- **Photographic Division grew both revenue and profit* with new products through owned distribution channels**
- **Strong free cash flow+ of £22.6m (H1 2015: £3.3m), improved working capital management**
- **Full year outlook unchanged. H2 to benefit from Rio 2016 Olympics, full year savings from previously announced restructuring and, potentially, weaker Sterling**

** Before gain on disposal of property, restructuring costs and charges associated with acquisition of businesses. For the Group, the gain on disposal of property in H1 2016 was £0.7 million (H1 2015: £nil), restructuring costs were £2.8 million (H1 2015: £nil) and charges associated with acquisition of businesses were £2.7 million (H1 2015: £2.6 million). The charges associated with acquisition of businesses are described in Note 1 below.*

+ Free cash flow: cash generated from operations in the period after net capital expenditure, net interest and tax paid.

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

"Revenue and profit grew in the first half of the year in line with our expectations.*

The Broadcast Division continued to develop and grow its new technology businesses by investing in product development and launching a number of innovative products and services. As expected, the Division's performance reflected the non-repeat of a strong prior period performance by the Haigh-Farr antennas business.

The Photographic Division performed well in the first half of the year. We grew revenue and operating profit, benefitting from recently launched products and investment in our owned distribution channels.*

The Board's expectations for the full year are unchanged. We anticipate that the Group's performance in the second half of the year will benefit from the Rio 2016 Olympics, full year savings from the previously announced restructuring plans, and, potentially, from weaker Sterling."

For further information please contact:

The Vitec Group plc — Telephone: 020 8332 4600
Stephen Bird, Group Chief Executive
Paul Hayes, Group Finance Director

Vitec will present its results to analysts at 10.00 am on Thursday, 4 August 2016. 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: www.vitecgroup.com/half_year_results_2016

Notes to Editors:

Vitec is a global provider of premium branded products and services to the Broadcast and Photographic markets. Vitec is listed on the London Stock Exchange with 2015 revenue of £317.8 million.

The Group is organised in two Divisions:

The Broadcast Division designs, manufactures and distributes premium branded products for broadcasting, film and video production for broadcasters and independent content creators. It also provides premium services including equipment rental and technical solutions to TV production teams, film crews and corporate enterprises.

The Photographic Division designs, manufactures and distributes premium branded equipment for photographic and video cameras and provides dedicated solutions to professional and non-professional image takers.

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

Notes

1. Charges associated with acquisition of businesses were £2.7 million (H1 2015: £2.6 million). These consisted of £2.7 million for the amortisation of acquired intangible assets (H1 2015: £2.5 million) and £0.2 million of transaction costs relating to acquisition of businesses (H1 2015: £0.1 million), net of a £0.2 million receipt in relation to the purchase price adjustment for Autocue (acquired 2014), that was agreed with the vendors during the period (H1 2015: £nil).
2. This statement is based on information sourced from management estimates.
3. Current market exchange rates as at 2 August 2016: £1 = $1.33, £1 = €1.19, €1 = $1.12, £1 = Yen134.
4. H1 2016 average exchange rates: £1 = $1.43, £1 = €1.29, €1 = $1.11, £1 = Yen160.
5. H1 2015 average exchange rates: £1 = $1.53, £1 = €1.37, €1 = $1.12, £1 = Yen183.

H1 2016 Management & Financial Review

Revenue increased by 9.7% to £171.1 million (H1 2015: £155.9 million) and operating profit* was 6.1% higher at £17.4 million (H1 2015: £16.4 million). This included a benefit from foreign exchange and at constant exchange rates revenue grew 3.1% while operating profit* declined 5.2%. This performance includes growth in sales of higher technology products and services, supplemented by benefits from restructuring. This was partly offset by investments in product development within our higher technology businesses and the anticipated non-repeat of a strong performance by our Haigh-Farr antennas business in the prior period.

The Broadcast Division grew revenue by 10.6%. There was growth in the broadcast services business, and we have continued to increase revenue from higher technology products including wireless transmitters and receivers, camera monitors and mobile power. This revenue growth includes a benefit from foreign exchange and was partly offset by lower revenue in the higher margin Haigh-Farr business. The Division's operating profit* decreased by 12.4%.

The Photographic Division grew sales by 8.5%. This included a number of recently launched new product ranges, growth through our owned distribution channels and favourable foreign exchange. Operating profit* grew by 32.8% as a result of these factors and the benefit from restructuring actions taken this year.

The Group's gross margin* % was lower than the prior period at 39.4% (H1 2015: 41.2%) mainly reflecting revenue growth at lower margin in the broadcast services business, as well as prior period higher margin contracts in Haigh-Farr. After adjusting for these factors, gross margin* % was in line with the prior period.

Operating expenses* were £2.1 million higher than in H1 2015, including an adverse currency effect of £2.4 million. After adjusting for this and £0.3 million of incremental costs from acquisitions, operating expenses* were £0.6 million lower than the prior period. This mainly reflects restructuring savings, partly offset by investments in new and higher technology products. The investment in new product development and innovation as a percentage of Group product sales was broadly in line with the prior period at 4.1% (H1 2015: 4.6%).

There was a restructuring charge of £2.8 million in the first half of 2016 relating to the actions summarised in our 2015 full year results announcement. These activities are progressing to plan and are substantially complete, with savings of £2.5 million in the first half of the year. There was also a £0.7 million gain, which was excluded from adjusted operating profit, on the sale of the manufacturing site in Bury St Edmunds ("Bury"). Proceeds of £3.9 million were received in January this year. We are planning to vacate the site during 2017 and move to a new lean manufacturing facility in a nearby leased site.

As expected, there was a net foreign exchange benefit on the Group's operating profit* versus the same period last year due to a stronger US Dollar and Euro. The result of the EU referendum has caused some uncertainty and there has been volatility in currency exchange rates. If exchange rates remain at current levels Vitec would continue to realise a net currency benefit in the second half of the year mainly from the translation of its results into Sterling. There would also be transactional benefits in the medium term as more beneficial exchange rates flow through the Group's hedging positions.

Profit before tax* of £15.5 million was higher than the prior period (H1 2015: £14.6 million). Adjusted earnings per share* increased by 6.5% to 24.5 pence per share (H1 2015: 23.0 pence per share). Group profit before tax of £10.7 million (H1 2015: £12.0 million) was after £2.8 million of restructuring costs (H1 2015: £nil), the £0.7 million gain on the sale of the Bury site (H1 2015: £nil) and £2.7 million charges associated with acquisition of businesses (H1 2015: £2.6 million).

Free cash flow+ of £22.6 million (H1 2015: £3.3 million) is reported after a net £3.9 million of cash outflows on restructuring actions (H1 2015: £1.4 million). The strong free cash flow+ in the first half of the year includes the benefits from working capital management actions, including timing of payment on major contracts, and the proceeds of £3.9 million from the sale of the Bury site, partially offset by restructuring cash outflows, and higher net interest and tax payments. There was a total cash inflow of £9.9 million (H1 2015: £12.1 million outflow) after investing £5.1 million in acquisitions (H1 2015: £8.6 million), including a £2.8 million final payment of deferred consideration on Teradek and £6.7 million of dividend payments (H1 2015: £6.5 million).

Net debt at 30 June 2016 was £72.8 million (30 June 2015: £81.5 million), including a net £6.4 million increase from foreign exchange due to the significant weakening of Sterling late in June 2016. The Group's balance sheet remains strong with an improved net debt to EBITDA ratio of 1.3 times (30 June 2015: 1.5 times). A new five year £125 million multi-currency Revolving Credit Facility with an improved margin was agreed with five banks on 5 July 2016.

The Board has declared an interim dividend of 9.9 pence per share (H1 2015: 9.5 pence per share). The dividend will be paid on Friday 21 October 2016 to shareholders on the register at the close of business on Friday 23 September 2016.

** Before gain on disposal of property, restructuring costs and charges associated with acquisition of businesses as defined on page 1 of this announcement.*
+ Cash generated from operations in the period after net capital expenditure, net interest and tax paid.

Strategy

Vitec's strategy is to grow the Group's core Broadcast and Photographic business by leveraging its premium brands and strong market positions. This includes driving opportunities from rapidly changing technology and customer needs by developing and launching new premium products and services. There was good progress in the first half of 2016, with a number of new technology products recently launched across both Divisions.

We continue to focus on the growing number of independent content creators and content sharing opportunities that benefit from the increase in the capture and sharing of high quality images. There is growing demand for our products within enterprise video applications for corporates, houses of worship, educational establishments and governmental bodies. The Group also continues to increase resources and brand presence in the APAC region in both our Broadcast and Photographic Divisions. We believe that APAC is a particularly attractive medium-term growth market with good opportunities and we grew revenue by £3.9 million to £31.0 million in this important region in the first half of the year.

Vitec has a broad geographic spread and a direct presence in 10 countries: the UK, the US, Costa Rica, France, Germany, Italy, the Netherlands, Japan, China and Singapore. In H1 2016, 48% of our revenues by destination came from North America, with the remainder split between Europe 31%, APAC 18%, and Rest of World 3%.

The Group continues to identify and make appropriate, value-adding acquisitions. In January 2016 we acquired Provak, our former distribution partner in the Netherlands, for a net consideration of £0.9 million. In April 2016 we acquired the business and some of the assets of Offhollywood Digital, LLC for an initial consideration of £1.6 million. Offhollywood provides camera-back modules for RED cameras and other services which complement our higher technology businesses.

Broadcast Division

The Broadcast Division designs, manufactures and distributes premium branded products for broadcasting, film and video production for broadcasters and independent content creators. It also provides premium services including equipment rental and technical solutions to TV production teams, film crews and corporate enterprises.

Broadcast Division	H1 2016	H1 2015	% Change	% Change *at constant exchange rates*
Revenue	£102.3m	£92.5m	+10.6%	+4.0%
Operating Profit*	£8.5m	£9.7m	-12.4%	-11.7%
Operating Margin*	8.3%	10.5%	-220 bps	-160 bps

** Before gain on disposal of property, restructuring costs and charges associated with acquisition of businesses as defined on page 1 of this announcement.*

Revenue for H1 2016 was £102.3 million, an increase of 10.6% on the prior period. At constant exchange rates revenue grew by 4.0% on the prior period.

The Broadcast Division has seen a positive US market offsetting more challenging conditions in EMEA. The Division continued to increase its sales of higher technology products including wireless transmitters and receivers, camera monitors and mobile power. Our mobile power business has grown, with the US broadcast battery market performing well and gaining a number of large medical mobile power orders. This was offset by lower sales of large camera supports.

The Division launched a number of innovative products in the first half of the year, including large High Dynamic Range (HDR) monitors and virtual reality capabilities. This was further enhanced with the acquisition of the business and some of the assets of Offhollywood Digital, LLC in April 2016. Offhollywood provides camera-back modules for RED cameras and other services to a similar customer base to that serviced by our existing higher technology businesses.

Revenue from the equipment rental and broadcast services business was higher than the same period last year with the award of a significant contract with the NFL for project management and technical support to upgrade the communication infrastructure at all of their stadiums. This contract demonstrates the technological capabilities of our business. It includes high material costs with a low pass-through margin, resulting in a lower gross margin* versus the prior period. We are also well positioned to benefit from supporting the Olympics in Rio de Janeiro in the second half of the year.

The Division's results were also impacted by the anticipated lower volumes and planned cost investments within the higher margin Haigh-Farr antennas business after strong sales in the same period in 2015.

Operating profit* decreased by £1.2 million to £8.5 million. This includes continued investment in the engineering resources at our wireless products and camera monitor businesses. As anticipated this investment in future growth is impacting margins in the short term and this is partly offset by savings from previously announced restructuring activities.

Photographic Division

The Photographic Division designs, manufactures and distributes premium branded equipment for photographic and video cameras and provides dedicated solutions to professional and non-professional image takers. This consists primarily of camera supports, tripods, camera bags, lighting supports, LED lights, lighting controls and filters. It also supplies an expanding range of premium accessories for smartphones, action cameras and drones.

Photographic Division	H1 2016	H1 2015	% Change	% Change *at constant exchange rates*
Revenue	£68.8m	£63.4m	+8.5%	+1.6%
Operating Profit*	£8.9m	£6.7m	+32.8%	+4.1%
Operating Margin*	12.9%	10.6%	+230 bps	+30 bps

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

The Photographic Division grew revenue and operating profit* during the first half of 2016. We believe that we have continued to outperform the photographic market by launching innovative new products.

Revenue increased by 8.5% to £68.8 million, and was 1.6% higher than the prior period at constant exchange rates. This included continued growth through our owned distribution channels offsetting lower sales through independent distributors. This demonstrates the strength of the Group's distribution network and reflects the benefit from investments in our growing e-commerce activities and new products to drive sales.

Our Photographic Division recently launched a number of new products including the TwistGrip that connects all smartphones to any support, and accessories for the Manfrotto Digital Director that enables an iPad to control camera equipment. We are also working with Apple on expanding our product offering in its stores which will enable smartphone users to take better photographs and videos.

Operating profit* increased by £2.2 million to £8.9 million and operating margin* improved by 230 bps. The Division has continued to invest in its owned distribution channels, including the acquisition of Provak, our former distribution partner in the Netherlands, in January 2016. It is also increasing its presence in the APAC region while delivering efficiencies. Our initiatives to improve margins include the restructuring actions taken this year and the continued implementation of lean processes and focussed cost control.

Principal risks and uncertainties

The principal risks and uncertainties which may affect our performance are unchanged from those set out on pages 18 and 19 of the Annual Report & Accounts 2015. The Directors continue to regard these as the principal risks and uncertainties facing the Group. We are continuing to monitor the recent decision by the UK to exit the EU and its impact on the Group's principal risks and uncertainties. We have a well-established framework for reviewing and assessing these risks on a regular basis, and have put in place appropriate processes and procedures to mitigate against them. However, no system of control or mitigation can eliminate all risks. In summary, the principal risks facing the Group are around:

- Demand for Vitec's products
- New markets and channels of distribution
- Acquisitions
- Pricing pressure
- Dependence on key suppliers
- Dependence on key customers
- People
- Laws and regulations
- Reputation of Vitec Group
- Exchange rates
- Business Continuity
- Effectiveness and impact of restructuring projects

Forward-looking statements

This announcement contains forward-looking statements with respect to the financial condition, performance, position, strategy, results and plans of The Vitec Group plc (the "Group" or the "Company") based on Management's current expectations or beliefs as well as assumptions about future events. These forward-looking statements are not guarantees of future performance. Undue reliance should not be placed on forward-looking statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. The Company undertakes no obligation to publically revise or update any forward-looking statements or adjust them for future events or developments. Nothing in this announcement should be construed as a profit forecast.

The information in this announcement does not constitute an offer to sell or an invitation to buy shares in the Company in any jurisdiction or an invitation or inducement to engage in any other investment activities. The release or publication of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

This announcement contains brands and products that are protected in accordance with applicable trademark and patent laws by virtue of their registration.

Responsibility statement of the Directors in respect of the Half Year Results to 30 June 2016

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 current 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.

Outlook

The Board's expectations for the full year are unchanged. We anticipate that the Group's performance in the second half of the year will benefit from the Rio 2016 Olympics, full year savings from the previously announced restructuring plans, and, potentially, from weaker Sterling.

For and on behalf of the Board

Stephen Bird	Paul Hayes
Group Chief Executive	Group Finance Director

3 August 2016

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 2016 which comprises 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 2016 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Adrian Wilcox

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square

London

E14 5GL

3 August 2016

Condensed Consolidated Income Statement
For the half year ended 30 June 2016

	Notes	**Half year to 30 June 2016 £m**	Half year to 30 June 2015 £m	Year to 31 December 2015 £m
Revenue	2	**171.1**	155.9	317.8
Cost of sales		**(103.9)**	(91.6)	(188.9)
Gross profit		**67.2**	64.3	128.9
Gain on sale of property, plant and equipment		**0.7**	-	-
Operating expenses		**(55.3)**	(50.5)	(106.5)
Operating profit		**12.6**	13.8	22.4
Comprising				
- Operating profit before gain on disposal of property, restructuring costs and charges associated with acquisition of businesses		**17.4**	16.4	35.4
- Gain on disposal of property	3	**0.7**	-	-
- Restructuring costs	3	**(2.8)**	-	(4.9)
- Charges associated with acquisition of businesses	3	**(2.7)**	(2.6)	(8.1)
		12.6	13.8	22.4
Net finance expense	4	**(1.9)**	(1.8)	(3.9)
Profit before tax		**10.7**	12.0	18.5
Comprising				
- Profit before tax, excluding gain on disposal of property, restructuring costs and charges associated with acquisition of businesses		**15.5**	14.6	31.5
- Gain on disposal of property	3	**0.7**	-	-
- Restructuring costs	3	**(2.8)**	-	(4.9)
- Charges associated with acquisition of businesses	3	**(2.7)**	(2.6)	(8.1)
		10.7	12.0	18.5
Taxation	7	**(3.1)**	(3.6)	(5.5)
Profit for the period attributable to owners of the parent		**7.6**	8.4	13.0
Earnings per share	5			
Basic earnings per share		**17.1p**	18.9p	29.3p
Diluted earnings per share		**17.0p**	18.8p	29.2p
Average exchange rates				
Euro		**1.29**	1.37	1.38
US$		**1.43**	1.53	1.53

Consolidated Statement of Comprehensive Income

For the half year ended 30 June 2016

	Half year to 30 June 2016 £m	Half year to 30 June 2015 £m	Year to 31 December 2015 £m
Profit for the period	**7.6**	8.4	13.0
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit obligation	**(3.6)**	0.9	1.5
Related tax	**0.5**	(0.2)	(0.5)
Items that are or may be reclassified to profit or loss:			
Currency translation differences on foreign currency subsidiaries	**22.8**	(5.8)	4.2
Net investment hedges - net (loss)/gain	**(9.9)**	2.9	(1.5)
Cash flow hedges - reclassified to the Income Statement	**0.5**	0.6	0.6
Cash flow hedges - effective portion of changes in fair value	**(5.2)**	0.9	(1.5)
Related tax	**0.9**	(0.3)	0.5
Other comprehensive income/(expense), net of tax	**6.0**	(1.0)	3.3
Total comprehensive income for the period attributable to owners of the parent	**13.6**	7.4	16.3

Condensed Consolidated Balance Sheet

As at 30 June 2016

	30 June 2016 £m	30 June 2015 £m	31 December 2015 £m
Assets			
Non-current assets			
Intangible assets	**96.9**	89.5	90.7
Property, plant and equipment	**57.1**	52.5	53.8
Trade and other receivables	**0.7**	0.6	0.6
Derivative financial instruments	**-**	1.0	0.1
Deferred tax assets	**17.8**	12.8	15.2
	172.5	156.4	160.4
Current assets			
Assets held for sale	**-**	-	1.0
Inventories	**61.4**	59.0	58.9
Trade and other receivables	**59.2**	51.7	50.7
Derivative financial instruments	**-**	2.2	0.5
Current tax assets	**1.0**	0.5	0.9
Cash and cash equivalents	**20.9**	11.0	13.6
	142.5	124.4	125.6
Total assets	**315.0**	280.8	286.0
Liabilities			
Current liabilities			
Bank overdrafts	**-**	0.4	1.1
Interest-bearing loans and borrowings	**0.1**	0.2	0.2
Trade and other payables	**55.5**	43.7	43.5
Derivative financial instruments	**5.1**	2.4	1.7
Current tax liabilities	**7.7**	8.1	6.6
Provisions	**4.0**	2.6	8.1
	72.4	57.4	61.2
Non-current liabilities			
Interest-bearing loans and borrowings	**93.6**	91.9	88.6
Derivative financial instruments	**1.6**	0.5	0.5
Other payables	**-**	0.2	-
Post-employment obligations	**10.1**	6.6	6.1
Provisions	**0.7**	2.2	1.2
Deferred tax liabilities	**2.4**	1.9	2.1
	108.4	103.3	98.5
Total liabilities	**180.8**	160.7	159.7
Net assets	**134.2**	120.1	126.3
Equity			
Share capital	**8.9**	8.9	8.9
Share premium	**14.5**	13.5	14.3
Translation reserve	**8.6**	(9.9)	(4.3)
Capital redemption reserve	**1.6**	1.6	1.6
Cash flow hedging reserve	**(4.8)**	0.6	(1.0)
Retained earnings	**105.4**	105.4	106.8
Total equity	**134.2**	120.1	126.3
Balance Sheet exchange rates			
Euro	**1.20**	1.41	1.36
US$	**1.34**	1.57	1.48

Consolidated Statement of Changes in Equity

For the half year ended 30 June 2016

	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 2016	**8.9**	**14.3**	**(4.3)**	**1.6**	**(1.0)**	**106.8**	**126.3**
Total comprehensive income for the period							
Profit for the period	**-**	**-**	**-**	**-**	**-**	**7.6**	**7.6**
Other comprehensive income/(expense) for the period	-	-	**12.9**	**-**	**(3.8)**	**(3.1)**	**6.0**
Contributions by and distributions to owners							
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(6.7)**	**(6.7)**
New shares issued	**-**	**0.2**	**-**	**-**	**-**	**-**	**0.2**
Share-based payment charge, net tax	**-**	**-**	**-**	**-**	**-**	**0.8**	**0.8**
Balance at 30 June 2016	**8.9**	**14.5**	**8.6**	**1.6**	**(4.8)**	**105.4**	**134.2**

	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 2015	8.9	13.4	(7.0)	1.6	(0.6)	102.3	118.6
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	8.4	8.4
Other comprehensive income/(expense) for the period	-	-	(2.9)	-	1.2	0.7	(1.0)
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(6.5)	(6.5)
New shares issued	-	0.1	-	-	-	-	0.1
Share-based payment charge, net tax	-	-	-	-	-	0.5	0.5
Balance at 30 June 2015	8.9	13.5	(9.9)	1.6	0.6	105.4	120.1

Condensed Consolidated Statement of Cash Flows

For the half year ended 30 June 2016

	Notes	**Half year to 30 June 2016 £m**	Half year to 30 June 2015 £m	Year to 31 December 2015 £m
Cash flows from operating activities				
Profit for the period		**7.6**	8.4	13.0
Adjustments for:				
Taxation		**3.1**	3.6	5.5
Depreciation		**7.2**	6.8	13.8
Amortisation of intangible assets		**4.2**	3.6	7.8
Impairment losses on intangible assets		**-**	-	0.2
Net gain on disposal of property, plant and equipment and software		**(1.0)**	(0.7)	(1.2)
Fair value gains on derivative financial instruments		**0.4**	0.3	0.1
Share-based payment charge		**0.8**	0.5	1.1
Fair value adjustment to contingent consideration on previous acquisitions		**(0.2)**	-	2.6
Net finance expense		**1.9**	1.8	3.9
Operating profit before changes in working capital and provisions		**24.0**	24.3	46.8
(Increase)/decrease in inventories		**4.1**	(5.8)	(3.0)
(Increase)/decrease in receivables		**(2.8)**	(1.9)	0.8
(Decrease)/increase in payables		**7.3**	(1.2)	(3.0)
(Decrease)/increase in provisions		**(1.4)**	(2.0)	0.1
Cash generated from operating activities		**31.2**	13.4	41.7
Interest paid		**(2.1)**	(1.9)	(4.0)
Tax paid		**(2.2)**	(0.2)	(5.6)
Net cash from operating activities		**26.9**	11.3	32.1
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment and software		**5.7**	1.9	4.7
Purchase of property, plant and equipment		**(8.7)**	(7.5)	(16.4)
Capitalisation of software and development costs		**(1.3)**	(2.4)	(4.2)
Acquisition of businesses, net of cash acquired	8	**(5.1)**	(8.6)	(9.0)
Cash outflow on previous disposal		**(1.1)**	(0.4)	(0.7)
Net cash used in investing activities		**(10.5)**	(17.0)	(25.6)
Cash flows from financing activities				
Proceeds from the issue of shares		**0.2**	0.1	0.9
(Repayment of)/proceeds from interest-bearing loans and borrowings		**(5.0)**	16.2	8.5
Dividends paid		**(6.7)**	(6.5)	(10.7)
Net cash used in financing activities		**(11.5)**	9.8	(1.3)
Increase in cash and cash equivalents	9	**4.9**	4.1	5.2
Cash and cash equivalents at 1 January		**12.5**	7.9	7.9
Effect of exchange rate fluctuations on cash held		**3.5**	(1.4)	(0.6)
Cash and cash equivalents at the end of period (1)	9	**20.9**	10.6	12.5

(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 half year ended 30 June 2016 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. 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 2015 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 2015.

The comparative figures for the year ended 31 December 2015 do not constitute statutory accounts for the purpose of section 435 of the Companies Act 2006. The auditors have reported on the 2015 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 2015.

These condensed consolidated interim financial statements were approved by the Board of Directors on 3 August 2016.

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, which comprises the period of at least 12 months from the date of the half year results. There are no material uncertainties that would prevent the Directors from being unable to make this statement. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Changes in Accounting Policies

There are a number of new standards, amendments to standards and interpretations that are not yet effective for the half year ended 30 June 2016, and have not been adopted early in preparing these condensed consolidated interim financial statements. None of these are anticipated to have any material impact on these condensed consolidated interim financial statements.

2. Segment reporting

Reportable segments

For the half year ended 30 June 2016

	For the half year to 30 June							
	Broadcast		Photographic		Corporate and unallocated		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Revenue from external customers:								
Sales	**78.7**	78.3	**68.8**	63.4	**-**	-	**147.5**	141.7
Services	**23.6**	14.2	**-**	-	**-**	-	**23.6**	14.2
Total revenue from external customers	**102.3**	92.5	**68.8**	63.4	**-**	-	**171.1**	155.9
Inter-segment revenue [1]	**0.2**	0.3	**0.1**	0.1	**(0.3)**	(0.4)	**-**	-
Total revenue	**102.5**	92.8	**68.9**	63.5	**(0.3)**	(0.4)	**171.1**	155.9
Segment result	**8.5**	9.7	**8.9**	6.7	**-**	-	**17.4**	16.4
Gain on disposal of property	**0.7**	-	**-**	-	**-**	-	**0.7**	-
Restructuring costs	**(1.6)**	-	**(1.2)**	-	**-**	-	**(2.8)**	-
Fair value adjustment to contingent consideration on previous acquisitions	**0.2**	-	**-**	-	**-**	-	**0.2**	
Transaction costs relating to acquisition of businesses	**(0.2)**	(0.1)	**-**	-	**-**	-	**(0.2)**	(0.1)
Amortisation of acquired intangible assets	**(2.4)**	(2.3)	**(0.3)**	(0.2)	**-**	-	**(2.7)**	(2.5)
Operating profit	**5.2**	7.3	**7.4**	6.5	**-**	-	**12.6**	13.8
Net finance expense							**(1.9)**	(1.8)
Taxation							**(3.1)**	(3.6)
Profit for the year							**7.6**	8.4

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

Geographical segments

For the half year ended 30 June 2016

	Half year to 30 June 2016 £m	Half year to 30 June 2015 £m	Year to 31 December 2015 £m
Analysis of revenue from external customers, by location of customer			
United Kingdom	**16.2**	16.0	31.5
The rest of Europe	**36.3**	32.9	64.0
North America	**82.4**	70.5	150.2
Asia Pacific	**31.0**	27.1	55.9
The rest of the World	**5.2**	9.4	16.2
Total revenue from external customers	**171.1**	155.9	317.8

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 Gain on disposal of property, restructuring costs and charges associated with acquisition of businesses

Gain on disposal of property, restructuring costs and charges associated with acquisition of 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. This also reflects how the business is managed and measured on a day-to-day basis. Restructuring costs include employment termination and other rationalisation costs. Charges associated with acquisition of businesses include non-cash charges such as amortisation of acquired intangible assets, and cash charges such as transaction costs and fair value adjustments to contingent consideration since date of acquisition.

Gain on disposal of property, restructuring costs and charges associated with acquisition of businesses comprise the following:

	Half year to 30 June 2016 £m	Half year to 30 June 2015 £m	Year to 31 December 2015 £m
Gain on disposal of property [(1)]	**0.7**	-	-
Restructuring costs [(2)]	**(2.8)**	-	(4.9)
Fair value adjustment to contingent consideration since date of acquisition [(3)]	**0.2**	-	(2.6)
Transaction costs relating to acquisition of businesses	**(0.2)**	(0.1)	(0.1)
Amortisation of acquired intangible assets	**(2.7)**	(2.5)	(5.4)
Charges associated with acquisition of businesses	**(2.7)**	(2.6)	(8.1)

[(1)] In 2016, the Group made a gain of £0.7 million on disposal of property.

[(2)] In 2016, restructuring costs of £2.8 million relate to the Group streamlining certain operations by downsizing selected activities in the UK, US and Europe and are primarily employment termination costs.

[(3)] £0.2 million was received in relation to the purchase price adjustment to the contingent consideration payable to Autocue (acquired in 2014), which was agreed with the vendors during the period.

4 Net finance expense

	Half year to 30 June 2016 £m	Half year to 30 June 2015 £m	Year to 31 December 2015 £m
Finance income			
Net currency translation gains	**0.3**	0.3	0.3
Finance expense			
Interest payable on interest-bearing loans and borrowings	**(2.1)**	(1.9)	(4.0)
Net interest expense on net defined benefit pension scheme liabilities	**(0.1)**	(0.2)	(0.2)
	(2.2)	(2.1)	(4.2)
Net finance expense	**(1.9)**	(1.8)	(3.9)

5 Earnings per 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 year divided by the weighted average number of ordinary shares in issue during the year.

Diluted EPS is calculated on the profit for the year 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 business and therefore excludes restructuring costs, charges associated with acquired businesses and disposal of business, all net of tax.

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

Profit	**Half year to 30 June 2016 £m**	Half year to 30 June 2015 £m
Profit for the financial period	**7.6**	8.4
Add back:		
Gain on disposal of property, restructuring costs and charges associated with acquisition of businesses, net of tax	**3.3**	1.8
Earnings before gain on disposal of property, restructuring costs and charges associated with acquisition of businesses	**10.9**	10.2

	Half year to 30 June		Half year to 30 June		Half year to 30 June	
	2016 No.	2015 No.	**2016 pence**	2015 pence	**2016 pence**	2015 pence
	Weighted average number of shares '000		Adjusted earnings per share		Earnings per share	
Basic	**44,511**	44,331	**24.5**	23.0	**17.1**	18.9
Dilutive potential ordinary shares	**80**	141	**(0.1)**	(0.1)	**(0.1)**	(0.1)
Diluted	**44,591**	44,472	**24.4**	22.9	**17.0**	18.8

6 Interim dividend

After the balance sheet date, an interim dividend of 9.9 pence per share has been declared by the Directors, totalling £4.4 million (2015: 9.5 pence per share totalling £4.2 million). The dividend has not been provided for at half year and there are no tax consequences.

The dividend will be paid on Friday 21 October 2016 to shareholders on the register at the close of business on Friday 23 September 2016. 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 26 September 2016. 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 12p per minute plus network extras, lines are open 8.30am to 5.30pm Monday-Friday.

7 Taxation

	Half year to 30 June 2016 £m	Half year to 30 June 2015 £m	Year to 31 December 2015 £m
Before disposal of property, restructuring costs and charges associated with acquisition of businesses			
Current tax	**4.4**	3.2	7.5
Deferred tax	**0.2**	1.2	2.1
	4.6	4.4	9.6
Disposal of property, restructuring costs and charges associated with acquisition of businesses			
Current tax [1]	**(1.1)**	(0.3)	(1.2)
Deferred tax [2]	**(0.4)**	(0.5)	(2.9)
	(1.5)	(0.8)	(4.1)
Summarised in the Income Statement as follows			
Current tax	**3.3**	2.9	6.3
Deferred tax	**(0.2)**	0.7	(0.8)
	3.1	3.6	5.5

[1] Current tax credits of £0.3 million (2015: £0.3 million) were recognised in the period which represents the tax impact of the amortisation of intangible assets.

[2] Deferred tax credits of £0.4 million (2015: £0.5 million) have been recognised relating to the deferred tax impacts of the amortisation of intangible assets.

8 Acquisitions

On 13 January 2016, the Group acquired 100% of the issued share capital of Manfrotto Distribution Benelux B.V. (formerly Provak Foto Film Video B.V.), based in the Netherlands, through a business combination for a net cash consideration of €1.2 million (£0.9 million). The acquisition complements the Group's owned distribution channels. As at the date of this report the fair value of the assets and liabilities acquired are being measured. Based on provisional adjustments, the fair value of the assets acquired in the business at acquisition date was £0.4 million resulting in goodwill of £0.5 million.

On 12 April 2016, the Broadcast Division of the Group acquired the business and some of the assets of Offhollywood Digital, LLC ("Offhollywood"), based in the US, through a business combination for an initial net cash consideration of US$2.2 million (£1.6 million). As at the date of this report the fair value of the assets and liabilities acquired are being measured. Based on provisional adjustments, the fair value of the assets acquired in the business at acquisition date was £0.8 million resulting in goodwill of £0.8 million. Under the terms of the acquisition, there is a potential contingent consideration of up to $8.0 million that is dependent on the performance against demanding gross profit targets over the period to December 2018. Offhollywood provides camera-back modules for RED cameras and other services to a similar customer base to that serviced by the Group's existing higher technology businesses, and its products will be marketed through the Group's global distribution network.

An analysis of the cash flows relating to acquisitions is provided below:

	Half year to 30 June 2016
	£m
Cash paid in relation to Manfrotto Distribution Benelux. B.V.	0.9
Cash paid in relation to Offhollywood Digital, LLC	1.6
Cash paid in respect of contingent consideration for Teradek (acquired in 2013)	2.8
Cash received in respect of the purchase price adjustment for Autocue (acquired in 2014), agreed with the vendors during period	(0.2)
Net cash outflow in respect of acquisitions	**5.1**

9 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 2016	Half year to 30 June 2015	Year to 31 December 2015
	£m	£m	£m
Increase in cash and cash equivalents	**4.9**	4.1	5.2
Repayment of /(proceeds from) interest-bearing loans and borrowings	**5.0**	(16.2)	(8.5)
Decrease/(increase) in net debt resulting from cash flows	**9.9**	(12.1)	(3.3)
Effect of exchange rate fluctuations on cash held	**3.5**	(1.4)	(0.6)
Effect of exchange rate fluctuations on debt held	**(9.9)**	2.9	(1.5)
Effect of exchange rate fluctuations on net debt	**(6.4)**	1.5	(2.1)
Movements in net debt in the period	**3.5**	(10.6)	(5.4)
Net debt at 1 January	**(76.3)**	(70.9)	(70.9)
Net debt at the end of period	**(72.8)**	(81.5)	(76.3)
Cash and cash equivalents in the Balance Sheet	**20.9**	11.0	13.6
Bank overdrafts	**-**	(0.4)	(1.1)
Cash and cash equivalents in the Statement of Cash Flows	**20.9**	10.6	12.5
Interest-bearing loans and borrowings	**(93.7)**	(92.1)	(88.8)
Net debt at the end of period	**(72.8)**	(81.5)	(76.3)