



2005 Preliminary Results

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Agenda

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

2005 Highlights

Strategy delivering results

- ◆ New products and acquisitions
 - ◆ Sales growth of 5% to £194.9m
 - ◆ In the year after an Olympics
- ◆ Volume and restructuring benefits
 - ◆ Operating profit up 12% to £20.0m
 - ◆ PBT up 11.5% to £18.4m
- ◆ Tight operating controls on cash
 - ◆ Net debt down to £5.4m
- ◆ Reductions in effective tax rate
 - ◆ EPS up 17% to 26.0p
- ◆ Dividend increased by 3% to 15.5p

Financial review

Income statement

PBT and EPS show benefits of margin improvement

	<u>2005</u> <u>£m</u>	<u>2004*</u> <u>£m</u>	<u>Δ</u> <u>£m</u>
◆ Revenue	194.9	185.4	9.5
◆ <i>Gross margin %</i>	40.7%	41.3%	-0.6 pts
◆ Operating expenses**	(59.3)	(58.7)	(0.6)
◆ Operating profit**	20.0	17.8	2.2
◆ <i>Operating margin %</i>	10.3%	9.6%	+0.7 pts
◆ PBT**	18.4	16.5	1.9
◆ <i>Tax charge %</i>	42.0%	45.0%	-3.0 pts
◆ Adjusted basic earnings per share**	26.0p	22.2p	3.8p

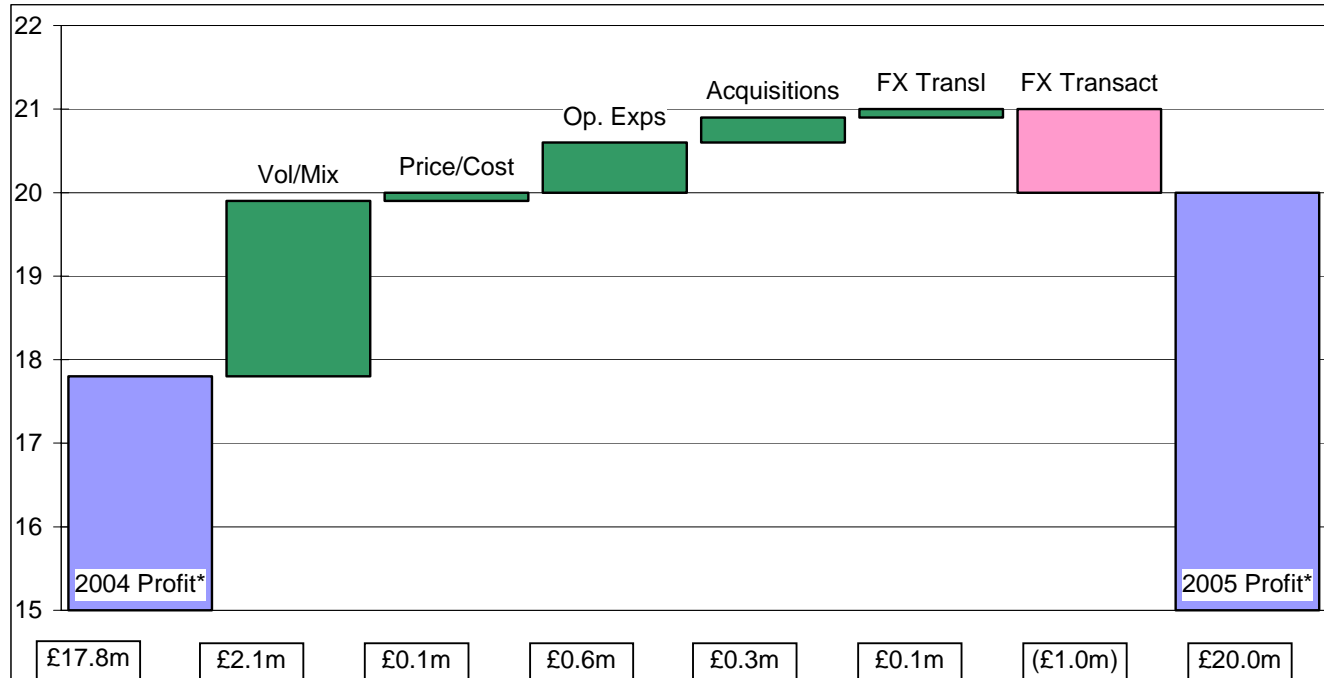
* 2004 restated under IFRS

** Pre restructuring, goodwill, property profit and non-interest finance charges (significant items)

- ◆ Tax charge reduced by 300 bps, reflecting tax actions
- ◆ Operating margin up 70 bps, reflecting increased efficiency

Operating profit bridge

Operating profit up 17% in constant currency

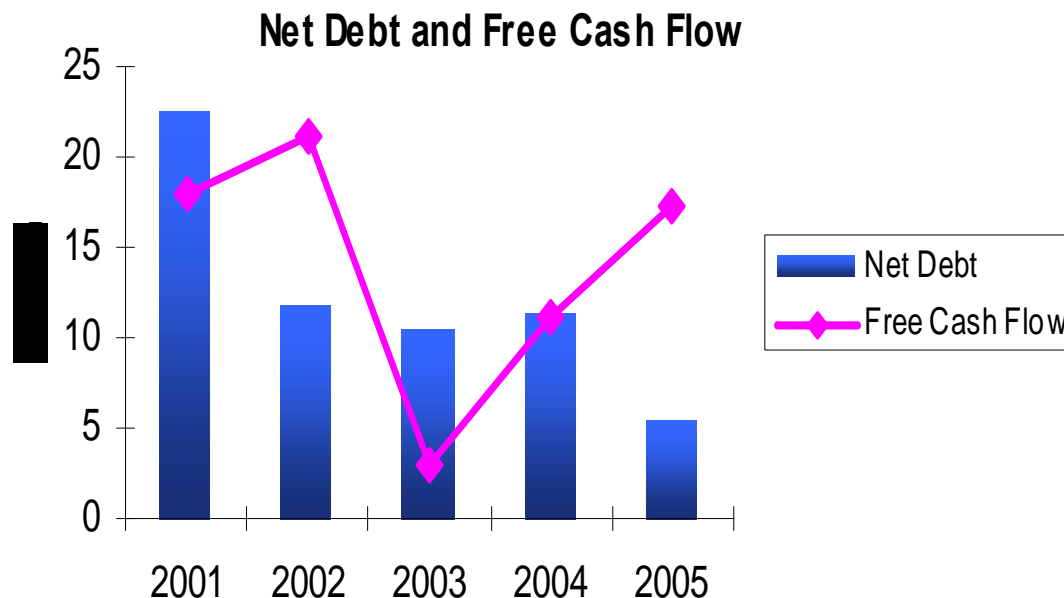


* Operating profit before significant items (continuing operations)

- ◆ Pre-FX PBT improvement of £3.1m, ie 17%
- ◆ Additional volume contributes £2.1m
- ◆ Opex reduces because of Broadcast Systems reorganisation

Strong cash flow

Debt reduced to £5.4m, despite acquisition



- ◆ Net debt £5.9m lower despite
 - ◆ £4.7m Kata acquisition
 - ◆ £2.1m contribution to Vitec UK pension scheme
- ◆ Working capital decrease £5.3m (2004: £1.4m increase)
- ◆ Stock days 99 (2004: 109)
- ◆ £11.7m capex (2004: £10.0m)
- ◆ Low cash taxes

Tax rate 42%, down from 45%

2005

- ◆ Headline tax charge reduced to 42% (£7.7m)
 - ◆ Tax actions reduced UK losses
- ◆ Cash tax paid £1.6m (2004: £1.4m)
 - ◆ Benefits of brought forward tax credits and losses
 - ◆ £0.7m UK tax rebate

2006 guidance

- ◆ P&L charge c. 40%, (of which, approx 35% current)
- ◆ 2006 cash payment similar to 2006 current tax charge

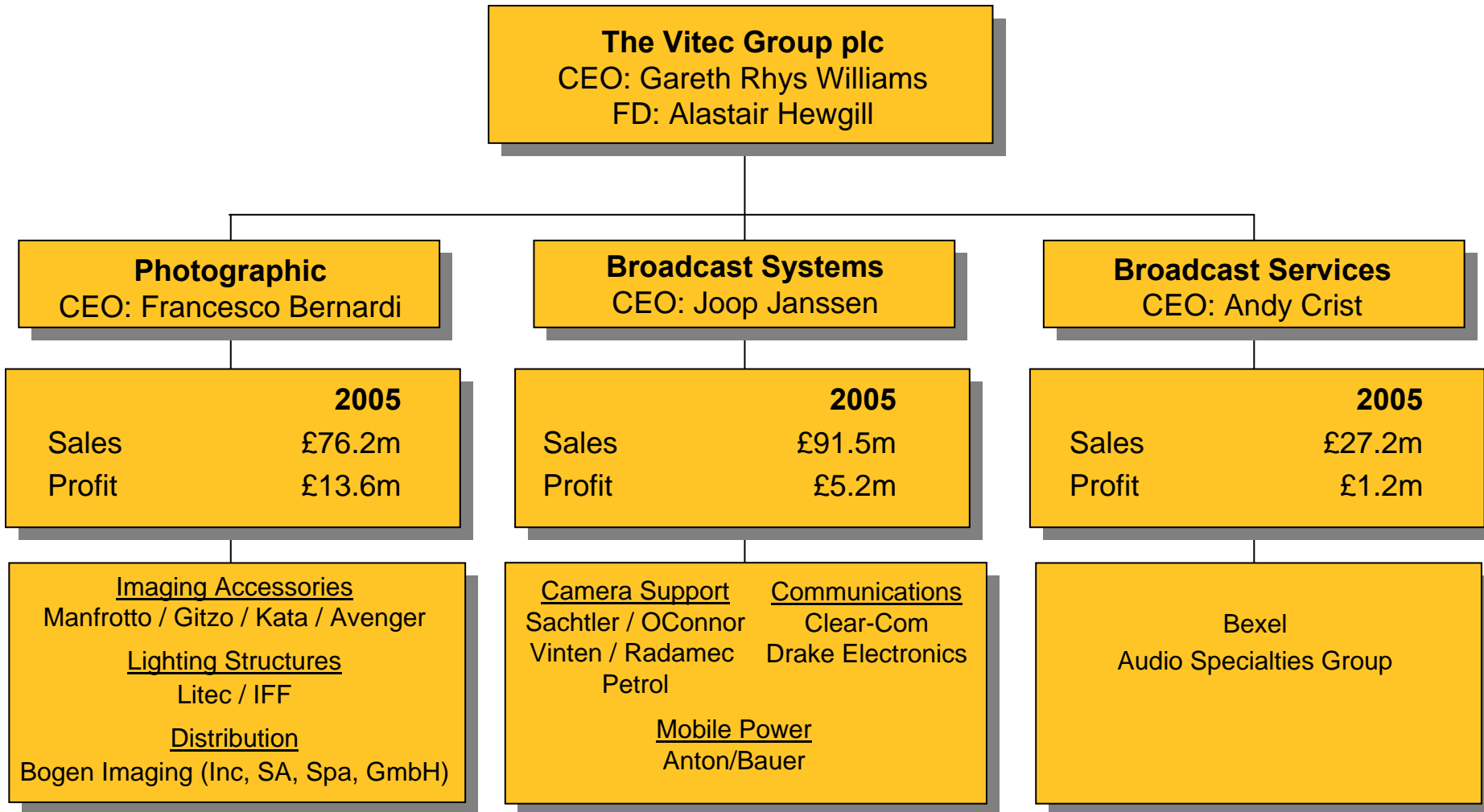
Key financial topics

UK Pension IAS19 deficit halved

- ◆ Pensions
 - ◆ UK schemes combined
 - ◆ £2.1m injected to bring them to zero funding deficit
 - ◆ IAS 19 deficit £3.1m (2004 £5.8m)
- ◆ FX
 - ◆ Impact in 2005 'only' £0.9m adverse (2004: £4.8m)
 - Transactional impact on 2005 vs 2004 approx £1.0m adverse
 - Translational impact on 2005 vs 2004 approx £0.1m favourable
 - ◆ 2006 vs 2005 c. £1.2m favourable at today's rates (see Appendix)
- ◆ Syndicated loan facility put in place in Jan 2005
 - ◆ £100m for 5 years
 - ◆ £17m utilised as at 31 December 2005

Divisional review

New structure working well



Photographic

Growth in camera support, trusses and distribution

	<u>2005</u> <u>£m</u>	<u>2004</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	76.2	68.7	10.9%
◆ Operating profit*	13.6	12.4	9.7%
◆ Operating margin %*	17.8%	18.0%	-0.2pts

* Pre goodwill, restructuring costs and profit on sale of property

- ◆ 11% growth in sales
- ◆ Solid growth in US and German distribution
- ◆ Initiation of further product relocations from Italy
- ◆ Acquisition of Kata, performing well
- ◆ Launch of Modo camera supports
- ◆ Launch of National Geographic bags & camera supports



Broadcast Systems

Turnaround in Broadcast Camera Support

	<u>2005</u> <u>£m</u>	<u>2004</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	91.5	86.9	5.3%
◆ Operating profit*	5.2	3.8	36.8%
◆ Operating margin %*	5.7%	4.4%	1.3pts

* Pre goodwill and restructuring costs



- ◆ Mobile power continues strongly
- ◆ Volume growth in studio camera support
- ◆ German market - The World Cup
- ◆ Communications market recovery lagging other areas
- ◆ FCC approval received for CellCom wireless intercom for USA
- ◆ Petrol acquired in January 2006

Broadcast Services

Excellent control of costs and continued innovation

	<u>2005</u> <u>£m</u>	<u>2004</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	27.2	29.8	-8.7%
◆ Operating profit*	1.2	1.6	-25.0%
◆ Operating margin %*	4.4%	5.4%	-1.0pts

* Pre goodwill and restructuring costs

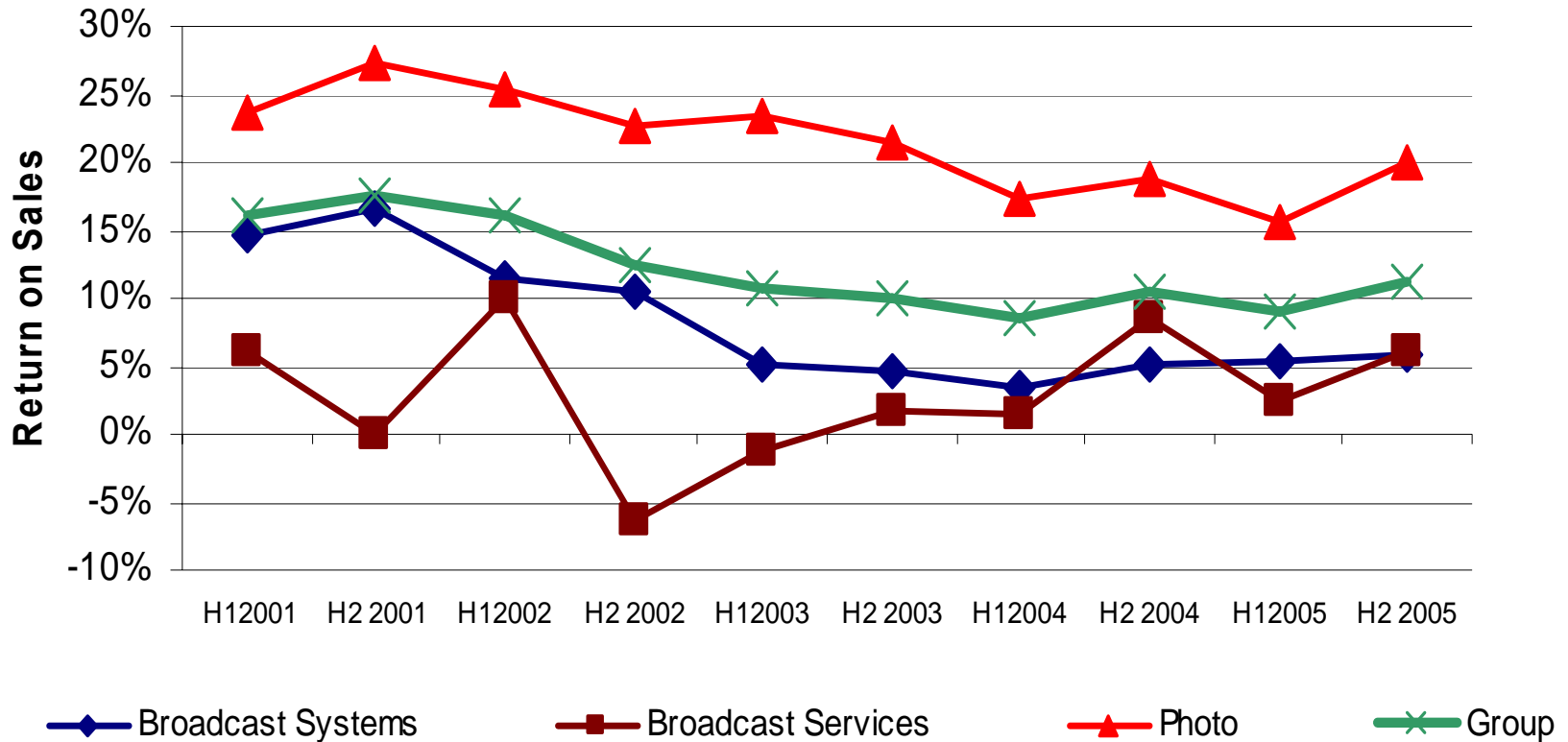


- ◆ Underlying market growth did not continue into 2005
- ◆ HD penetration increasing
- ◆ Exploring 'Smartlease' concept for value added rentals
- ◆ '3G Live' system for live editing of content for cellphones

Margins improved in each unit in H2

H2 saw further benefits of volume and efficiency

Half by Half Margin Progression



Strategy and Outlook

Strategy and Outlook

Strategy delivering results

Strategy

- ◆ Build on the benefits of prior restructuring
- ◆ Move more production to lower cost areas
- ◆ Continue to launch 'rule changing' products
- ◆ Extend reach of in-house distribution
- ◆ Pursue attractive acquisitions

2006 Outlook

- ◆ Market conditions favourable
 - ◆ Exciting new product ranges
 - ◆ Strong divisional management teams
 - ◆ Potential for further acquisitions
- ◆ "We expect further growth in 2006"

Appendices

- Breakdown of revenue growth
- Analysis of operating and free cash flow
- FX assumptions
- New products launched in 2005
- Kata
- Petrol

Revenue growth continues

On reported and constant currency bases

	2004 £m	FX £m	2004* £m	2005 £m	%	<u>Δ</u>			
						Organic £m	%	Acq'sition £m	%
Divisional revenue									
◆ Photographic	68.7	0.3	69.0	76.2	10.4%	5.5	8.0%	1.7	2.4%
◆ Broadcast Systems	86.9	0.2	87.1	91.5	5.1%	4.4	5.1%	-	-
◆ Broadcast Services	29.8	0.1	29.9	27.2	(9.0%)	(3.2)	(10.7%)	0.5	1.7%
◆ Total Revenue	185.4	0.6	186.0	194.9	4.8%	6.7	3.6%	2.2	1.2%

* Restated at 2005 average rates

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

- ◆ Continued growth in Photo, particularly in the USA
- ◆ Recovery in studio-related demand helps Systems
- ◆ Broadcast Services - lack of high-end reality (2004 Olympics and US presidential elections)

Operating cash flow

Continued strong performance

	<u>2005</u> <u>£m</u>	<u>2004</u> <u>£m</u>	<u>Δ</u> <u>£m</u>
◆ Operating profit*	20.0	17.8	2.2
◆ Significant items	(0.8)	(2.2)	1.4
◆ Depreciation / amortisation	10.1	10.2	(0.1)
◆ Working capital	5.3	(1.4)	6.7
◆ Provisions made / (utilised)	(3.4)	(1.1)	(2.3)
◆ Other	(1.8)	(0.8)	(1.0)
◆ Discontinued operations	0.4	-	0.4
◆ Cash generated from operations	29.8	22.5	7.3

* Pre restructuring, goodwill and non-interest finance charges (significant items)

- ◆ Inventory days reduced from 109 to 99
- ◆ Provision movement includes £2.1m UK pension contribution

Free cash flow

Net debt down £5.9m over 12 months,
despite £4.7m acquisition and pension payments

	<u>2005</u> <u>£m</u>	<u>2004</u> <u>£m</u>	<u>Δ</u> <u>£m</u>
◆ Cash generated from operations	29.8	22.5	7.3
◆ Capital expenditure	(11.7)	(10.0)	(1.7)
◆ Proceeds of asset sales	2.1	1.6	0.5
◆ Net interest paid	(1.3)	(1.6)	0.3
◆ Tax paid	(1.6)	(1.4)	(0.2)
◆ Free cash flow	17.3	11.1	6.2
◆ Net (debt)	(5.4)	(11.3)	5.9

- ◆ Low tax payments again in 2005 (brought forward losses and credits, and UK tax rebate)

FX update (2006 vs 2005)

Full year profit effect could be £1.2m better, assuming rates stay unchanged throughout 2006

Year on Year Effect	£/\$	€/£	£/€	Translation £m	Transaction £m	Total £m
<u>Past years</u>						
Average spot 2004	1.82	1.24	1.47	(0.9)	(3.9)	(4.8)
Average spot 2005	1.82	1.24	1.46	0.1	(1.0)	(0.9)
<u>Guidance for 2006</u> (at today's rates)						
Actual 1/3/06	1.75	1.20	1.46	0.7	0.5	1.2

New products launched in 2005



Sachtler's Speedbalance allows fine control and rapid set-up.



Manfrotto's Modo is perfect for the amateur photographer/video enthusiast



Vinten's Quattro OB pedestal



The CellCom wireless system was approved for use in the USA in November 2005

Anton/Bauer's Dionic 90 battery offers unrivalled power to weight



Kata

Leaders in innovation for broadcast and high end photographic camera bags

- ◆ Distributed through Bogen Imaging
- ◆ Supplies Manfrotto's tripod bags
- ◆ Widens existing range of accessories
- ◆ Trading in line with expectations



Petrol

Broadcast and high end DV camera bags

- ◆ Distributed through Sachtler
- ◆ Products for all the production crew
- ◆ Will operate with Kata



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