



2006 Full Year Results

Gareth Rhys Williams, Chief Executive
Alastair Hewgill, Finance Director

5 March 2007

Agenda

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

2006 Highlights

Ongoing performance improvement

- ◆ Continued strong sales growth
 - ◆ Reported sales growth of 14%
 - ◆ Organic constant currency growth of 12%
- ◆ Good conversion to profit
 - ◆ PBT up 31% to £24.1m
- ◆ Strong cash generation
- ◆ EPS up by 36% to 35.3p
- ◆ Dividend increased by 6.5% to 16.5p
- ◆ 4 acquisitions during the year, trading well

Financial review

Income statement

Benefits of operational gearing

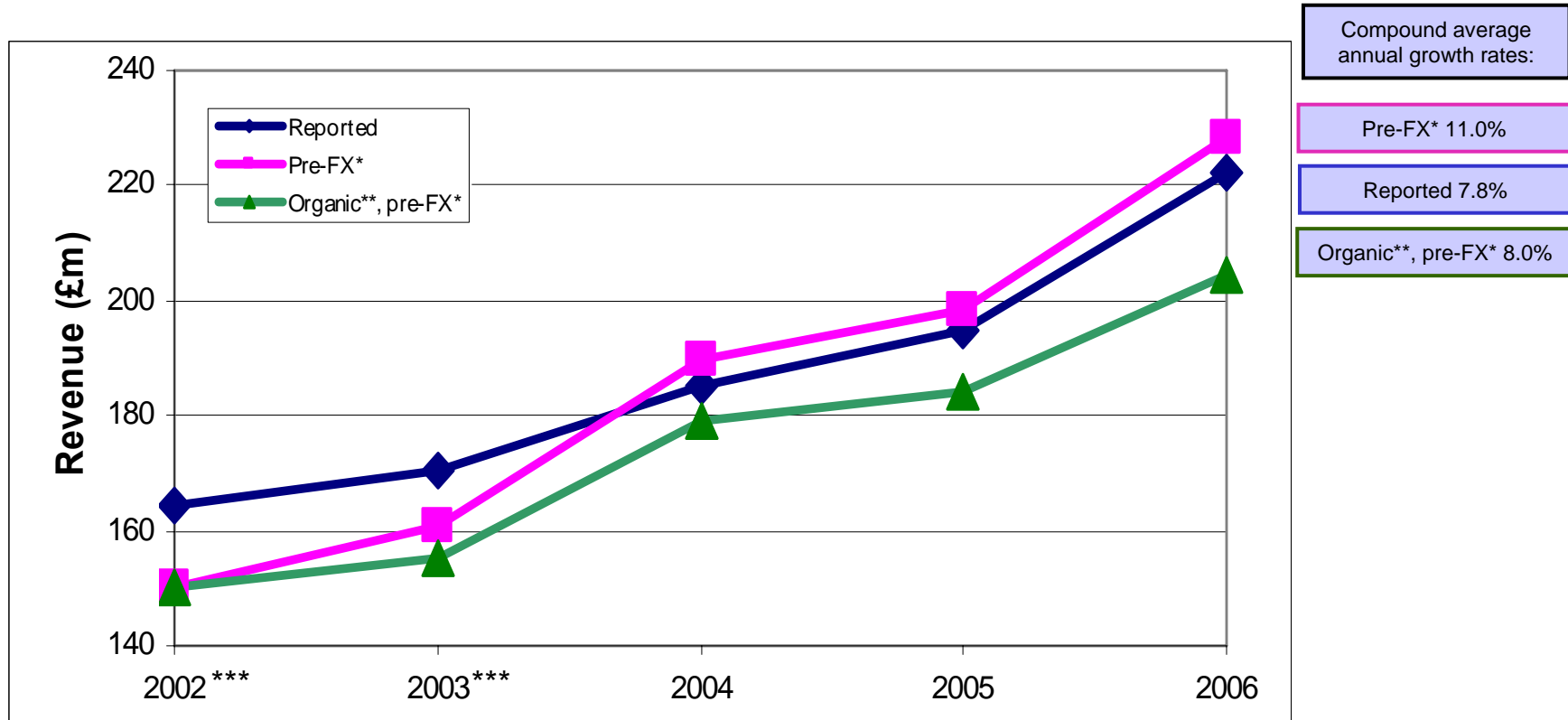
	<u>2006</u> <u>£m</u>	<u>2005</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	222.3	194.9	14.1%
◆ <i>Gross margin %</i>	41.9%	40.7%	+1.2 pts
◆ Operating expenses*	(68.0)	(59.3)	14.7%
◆ Operating profit*	25.2	20.0	26.0%
◆ <i>Operating margin %</i>	11.3%	10.3%	+1.0 pts
◆ PBT*	24.1	18.4	31.0%
◆ <i>Tax charge %</i>	40.0%	42.0%	-2.0 pts
◆ Adjusted basic earnings per share*	35.3p	26.0p	35.8%

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

- ◆ Tax charge further reduced by 2% to 40%
- ◆ Operating margin up 100 bps, reflecting increased volume and efficiency

Revenue growth since 2002

Pre FX: 11% pa or 8% pa excluding acquisitions



* Pre-FX based on reported sales adjusted for FX translation (to 2006 FX rates) and cumulative FX transaction effects vs 2002

** Organic revenue based on estimated sales from 2003-06 acquired entities

*** Excludes ALU

- ◆ Growth in each year – even the ‘post Olympic’ ones
- ◆ Growth drivers look positive for the next few years
- ◆ Digital SLRs and High Definition broadcast

Operating profit bridge

Operating profit up 30% in constant currency

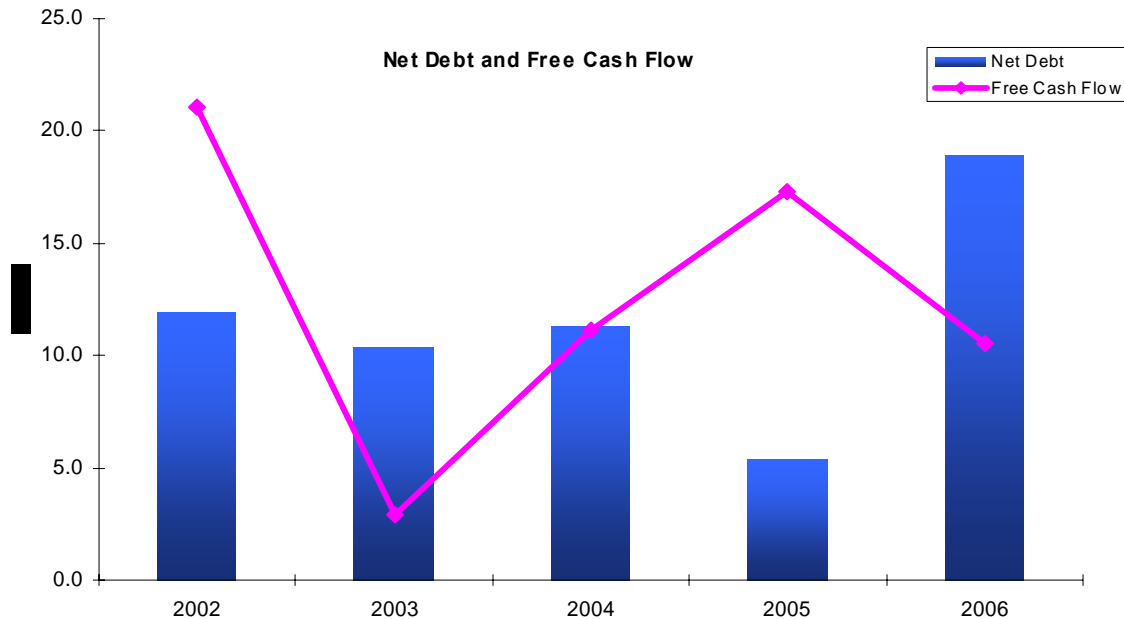


* Operating profit before restructuring, goodwill charges and non-interest finance charges (significant items)

- ◆ Pre-FX PBT improvement of £6.4m, ie 35%
- ◆ Additional volume/mix contributes £9.9m
- ◆ Higher opex due to infrastructure growth, incentives and LTIP/option charge

Strong operational cash flow

Debt increased to £18.9m



- ◆ Cash generated from operations £28.7m (2005: £29.8m)
- ◆ After working capital increase of £6.9m (2005: £5.3m decrease)
 - ◆ 22.0% of revenue at year end (2005: 23.1%), before acquisitions
 - ◆ Inventory days 116 (2005: 99)
 - ◆ Debtor days 51 (2005: 57)
- ◆ £13.2m capital expenditure (2005: £11.7m)
- ◆ Higher cash taxes of £5.5m (2005: £1.6m)
- ◆ Acquisitions £15.8m (2005: £4.6m)

Key financial topics

UK Pension IAS19 deficit lowered

- ◆ UK pensions - IAS 19 deficit £1.0m (2005: £3.1m)
 - ◆ Principally, a higher discount rate offset by greater longevity
 - ◆ Triennial revaluation in April 2007

- ◆ FX impact in 2006 'only' £0.7m adverse (2005: £0.9m adverse)
 - ◆ Adverse £1.0m in H2 vs £0.3m favourable in H1
 - ◆ 2007 vs 2006 c. £2.5m adverse at today's rates (see Appendix)

- ◆ Syndicated loan facility put in place in Jan 2005
 - ◆ £100m for 5 years
 - ◆ £26m utilised as at 31 December 2006

Pointers for 2007

- ◆ Estimate of finance charge is £1.7m, including
 - ◆ Loan amortisation and FX option costs
 - ◆ Higher interest cost due to acquisitions
- ◆ Tax
 - ◆ Targeting at 38% tax rate
 - ◆ Estimate of cash taxes is 33%
- ◆ Capital expenditure up c. £5m on 2006
 - ◆ Potential Bexel Olympics “pull-forward”
 - ◆ A new Italian HQ is being built
 - ◆ Purchase of Anton/Bauer building in the US

Divisional review

Imaging & Staging

24% sales growth

	<u>2006</u> <u>£m</u>	<u>2005</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	94.6	76.2	24.1%
◆ Operating profit*	16.6	13.6	22.1%
◆ Operating margin %*	17.5%	17.8%	-0.3 pts

* Pre goodwill charges and profit on sale of property

◆ Imaging

- ◆ Growth in lighting supports for professionals
- ◆ D-SLR growth remains robust – a real driver
- ◆ Successful takeover of Japanese distribution
- ◆ Bassano lighting stand production relocated

◆ Staging Systems

- ◆ Acquisition of Tomcat Global brings scale



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Broadcast Systems

Continued progress and profit growth

	<u>2006</u> <u>£m</u>	<u>2005</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	100.5	91.5	9.8%
◆ Operating profit*	6.9	5.2	32.7%
◆ Operating margin %*	6.9%	5.7%	1.2 pts

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

- ◆ Camera Dynamics - performing well
 - ◆ Costa Rica plant extended
 - ◆ Petrol acquired in January 2006
 - ◆ Autoscript acquired in October 2006
- ◆ Communications – more to do on margins
- ◆ Mobile Power – a record sales year



Broadcast Services

Good cost control and successful major events

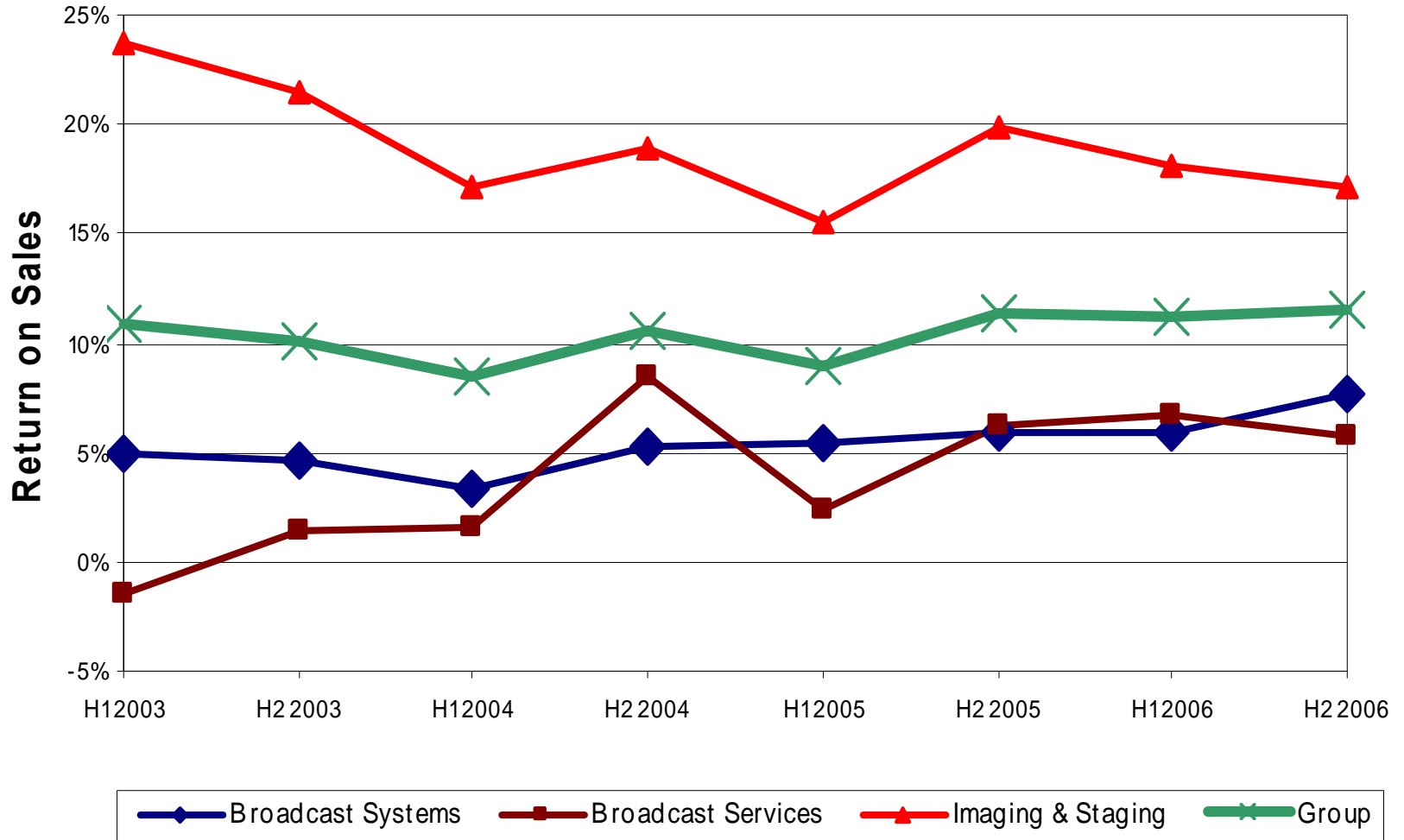
	<u>2006</u> <u>£m</u>	<u>2005</u> <u>£m</u>	<u>Δ</u> <u>%</u>
◆ Revenue	27.2	27.2	0.0%
◆ Operating profit	1.7	1.2	41.7%
◆ Operating margin %	6.3%	4.4%	1.9 pts



- ◆ US rental market flat
 - ◆ Traditional broadcasters under pressure
- ◆ Successful Turin Winter Olympics contracts
 - ◆ Opened the door for Beijing Olympics
- ◆ Las Vegas office opened
- ◆ Long Term Rental concept being marketed

Margins trend

H2 saw further benefits of volume and efficiency



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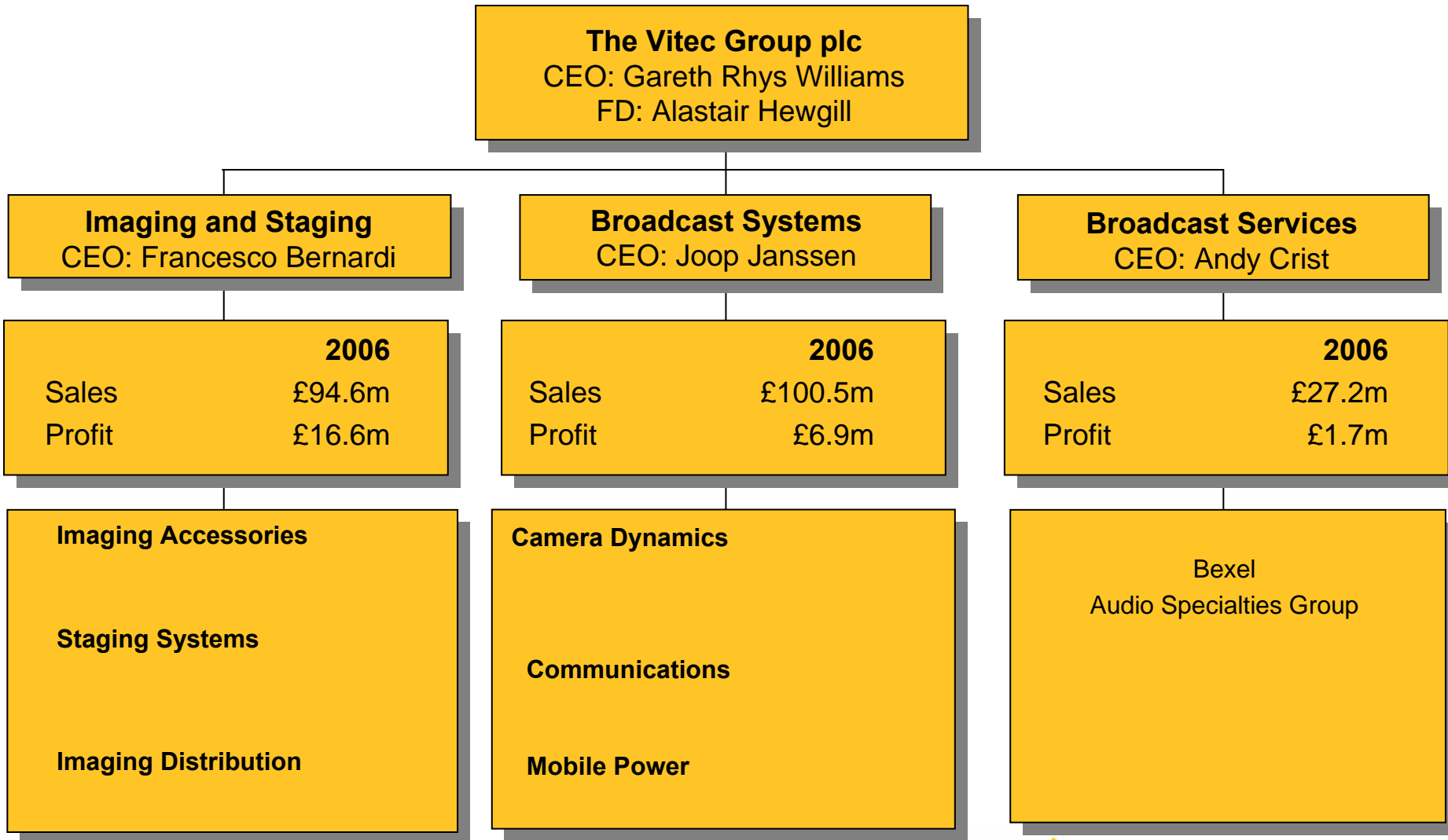
Strategy

Strategy

Innovation, efficiency and growth

- ◆ Relentless launching of new products and services
- ◆ Exploit operational and distribution scale
- ◆ Acquire and integrate related businesses

“A Platform for Growth”



"A Platform for Growth"



The Vitec Group plc
 CEO: Gareth Rhys Williams
 FD: Alastair Hewgill



Broadcast Systems
 CEO: Joop Janssen

Broadcast Services
 CEO: Andy Crist

	2006
Sales	£94.6m
Profit	£16.6m

	2006
Sales	£100.5m
Profit	£6.9m



Imaging Accessories
 Staging Systems
 Imaging Distribution

Camera Dynamics
 Communications



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Outlook

2007 Outlook

- ◆ Market conditions continue to be favourable
- ◆ Attractive product ranges
- ◆ 2006 acquisitions to contribute
- ◆ Continue to review acquisition opportunities
- ◆ FX adverse 'headwind' of some £2.5m

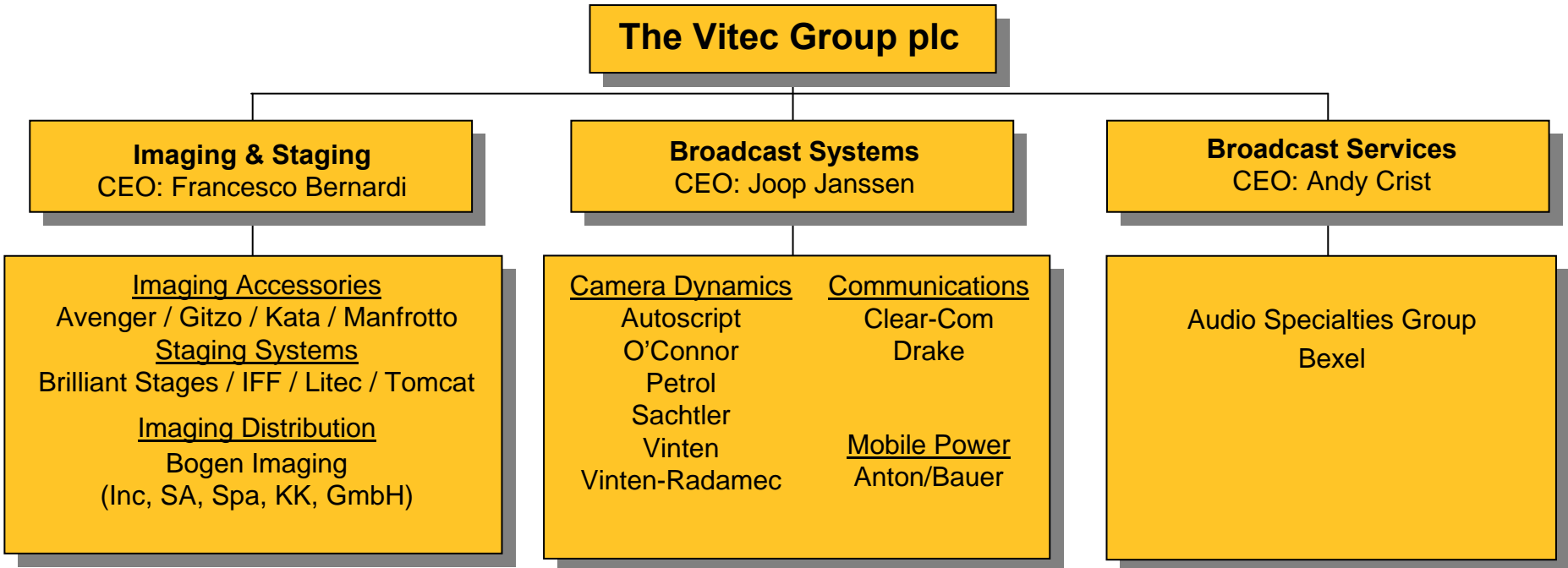
- ◆ "We look forward to further growth in 2007"

Appendices

- Organisation
- Breakdown of revenue growth
- Analysis of operating and free cash flow
- FX update
- New products launched in 2006
- Petrol
- Autoscript
- Tomcat Global & Brilliant Stages

A platform for growth

Previous portfolio now run as integrated units



- ◆ Internal competition minimised
- ◆ R&D resources focused
- ◆ Division-wide IT systems introduced

Revenue growth continues

On reported and constant currency bases

Divisional revenue	2005	FX	2005*	2006	%	Organic	Δ	Acq'sition	%
	£m	£m	£m	£m		£m	%	£m	
◆ Imaging & Staging	76.2	(0.7)	75.5	94.6	25.3%	14.3	18.9%	4.8	6.4%
◆ Broadcast Systems	91.5	(1.1)	90.4	100.5	11.2%	8.7	9.6%	1.4	1.6%
◆ Broadcast Services	27.2	(0.3)	26.9	27.2	1.1%	0.3	1.1%	-	-
◆ Total Revenue	194.9	(2.1)	192.8	222.3	15.3%	23.3	12.1%	6.2	3.2%

* Restated at 2006 average rates

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

- ◆ Imaging & Staging continue to grow strongly
- ◆ Broadcast Systems benefiting from upswing in broadcast spending
- ◆ Broadcast Services: strong first half due to Winter Olympics

Operating cash flow

Continued strong performance

	<u>2006</u> <u>£m</u>	<u>2005</u> <u>£m</u>	<u>Δ</u> <u>£m</u>
◆ Operating profit*	25.2	20.0	5.2
◆ Significant items	(1.7)	(0.8)	(0.9)
◆ Depreciation / amortisation	10.6	10.1	0.5
◆ Working capital	(6.9)	5.3	(12.2)
◆ Provisions made / (utilised)	2.1	(3.4)	5.5
◆ Other	(0.6)	(1.8)	1.2
◆ Discontinued operations	-	0.4	(0.4)
◆ Cash generated from operations	28.7	29.8	(1.1)

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

- ◆ Inventory days increased from 99 to 116
- ◆ Provision movement includes £2.1m UK pension contribution in 2005

Free cash flow

Net debt up £13.5m over 12 months after £15.8m spent on acquisitions

	<u>2006</u> <u>£m</u>	<u>2005</u> <u>£m</u>	<u>Δ</u> <u>£m</u>
◆ Cash generated from operations	28.7	29.8	(1.1)
◆ Capital expenditure	(13.2)	(11.7)	(1.5)
◆ Proceeds of asset sales	2.0	2.1	(0.1)
◆ Net interest paid	(1.5)	(1.3)	(0.2)
◆ Tax paid	(5.5)	(1.6)	(3.9)
◆ Free cash flow	10.5	17.3	(6.8)
◆ Net (debt)	(18.9)	(5.4)	(13.5)

- ◆ £1.5m higher capital expenditure
- ◆ £3.9m higher tax payments as 2005 benefited from brought forward losses and credits, and UK tax rebate

FX update (2007 vs 2006)

Full year profit effect could be c. £2.5m worse, assuming rates stay unchanged throughout 2007

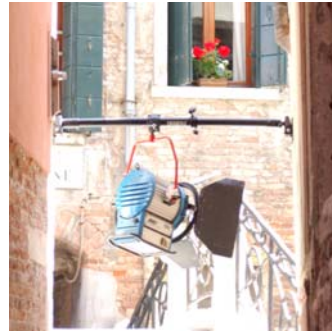
Year on Year Effect	£/\$	€/£	£/€	Translation £m	Transaction £m	Total £m
<u>Past years</u>						
Average spot 2004	1.82	1.24	1.47	(0.9)	(3.9)	(4.8)
Average spot 2005	1.82	1.24	1.46	0.1	(1.0)	(0.9)
Average spot 2006	1.84	1.25	1.47	(0.2)	(0.5)	(0.7)
<u>Guidance for 2007</u> (at today's rates)						
Actual 2 Mar 07*	1.95	1.31	1.49	(1.2)	(1.3)	(2.5)

Negatives indicate an adverse effect

* Assumes current rates (£/\$ 1.95; €/£ 1.31) will be the average for 2007, and geographic mix is as forecast; average rates for the period shown.

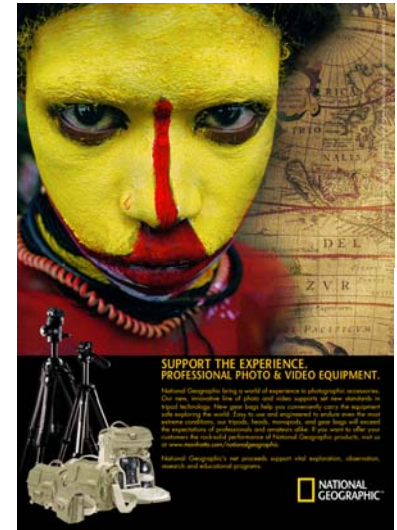
New products launched in 2006

The 'Fusion' robotic pedestal integrates with prior generations



Avenger X-Pole lighting support needs no floor or ceiling

National Geographic range of camera bags & supports for the outdoor enthusiast



Soft Voice from Clear-Com, an intercom panel on a PC

New Ergo-tech range of camera bags from Kata



Elipz professional batteries / lights for handheld cameras



Manfrotto 190 professional photo tripod, with easy to use centre column

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Petrol

Broadcast and high end DV camera bags

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



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Autoscript

Innovative products that complement Vitec's broadcast offering



15" ELP with standard hood and MT/red.

On-Camera Units

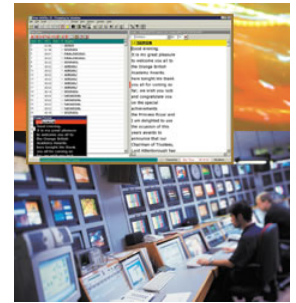


Accessories



Quick set up and operation are the key features of the GoPrompt 12. Go from start-up to prompting in one minute.

Go-Prompt 12
First generation wireless prompting



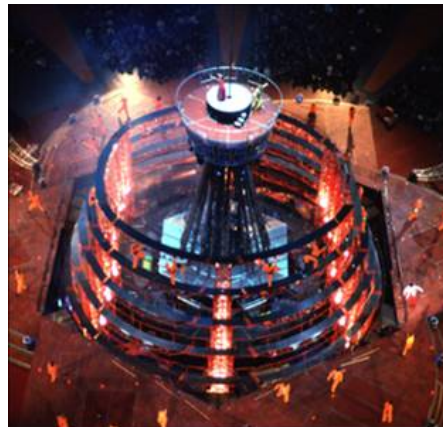
Software Packages



Executive Systems
Rise and fall stands

Tomcat & Brilliant Stages

Tomcat and Brilliant Stages' high-end custom and standard staging systems for leading events around the world will complement the Group's existing Litec business



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2006 Full Year Results

Gareth Rhys Williams, Chief Executive
Alastair Hewgill, Finance Director

5 March 2007