2010 Full Year Results

Stephen Bird
Group Chief Executive

Nick Humby
Interim Chief Financial Officer

3 March 2011

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Agenda

Highlights
Stephen Bird,
Group Chief Executive

Financial Review
Nick Humby,
Interim Chief Financial officer

Operational Review & Outlook
Stephen Bird,
Group Chief Executive

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Highlights

Stephen Bird
Group Chief Executive

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Strategic highlights

- **Revenue and profit growth offset the impact of the end of the BAS contract**
- **Execution of our Three Market Strategy of Broadcast and Video, Photographic and MAG is ahead of plan**
- **Balance sheet strengthened further allowing for strategic investment and acquisitions with good bank facility headroom.**

Our strategies are being executed, fully offsetting the impact of the end of the BAS contract

Financial highlights

Investing for growth in our three markets

- **Underlying organic CER** revenue growth of 4.3%**
- **Operating profit* up 13.1%, despite the £7.9 million profit impact from the end of BAS contract**
- **Reported PBT before significant items up by 17.6%, organic CER up 6.9%**
- **IMT business focused on the MAG opportunity: Auction 66 contract wins**
- **Launch of the Manfrotto Powerbrand products at Photokina**
- **Total dividend increased 3.8% to 19.0 pence per share; recommended final dividend of 11.4 pence per share**

* *Before significant items*

** *Organic CER: at Constant Exchange Rates excluding year on year effect of acquisitions and disposals*

2010 laid the foundations for future growth

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Financial Review

Nick Humby
Interim Chief Financial Officer

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Income statement

	2010 £m	2009 £m	Δ %	Δ Organic CER ** %
Revenue	309.6	315.1	(1.8%)	4.3%
*Gross margin % **	*40.9%*	*39.3%*	*+1.6 pts*	
Operating profit *	27.7	24.5	13.1%	3.2%
*Operating margin % **	*8.9%*	*7.8%*	*+1.1 pts*	
PBT *	26.7	22.7	17.6%	6.9%
Basic EPS *	41.9p	36.5p	14.8%	4.3%
Dividend per share	19.0p	18.3p	3.8%	

** Before amortisation of acquired intangibles, restructuring charges/provisions, profit/loss on disposal, UK pension curtailment gain net of exit costs, BAS contract exit costs, impairment losses on property and gains relating to volatile financial instruments (significant items)*

*** Organic CER: at Constant Exchange Rates excluding year on year effect of acquisitions and disposals*

- Revenue 1.8% down in reported terms, but 4.3% up in organic constant currency
- Gross margin* improved from 39.3% to 40.9%
- Operating margin* improved from 7.8% to 8.9%
- PBT* organic CER growth of 6.9%, but excluding impact of BAS contract up 63%
- Total dividend increased and covered 2.2x by earnings per share*

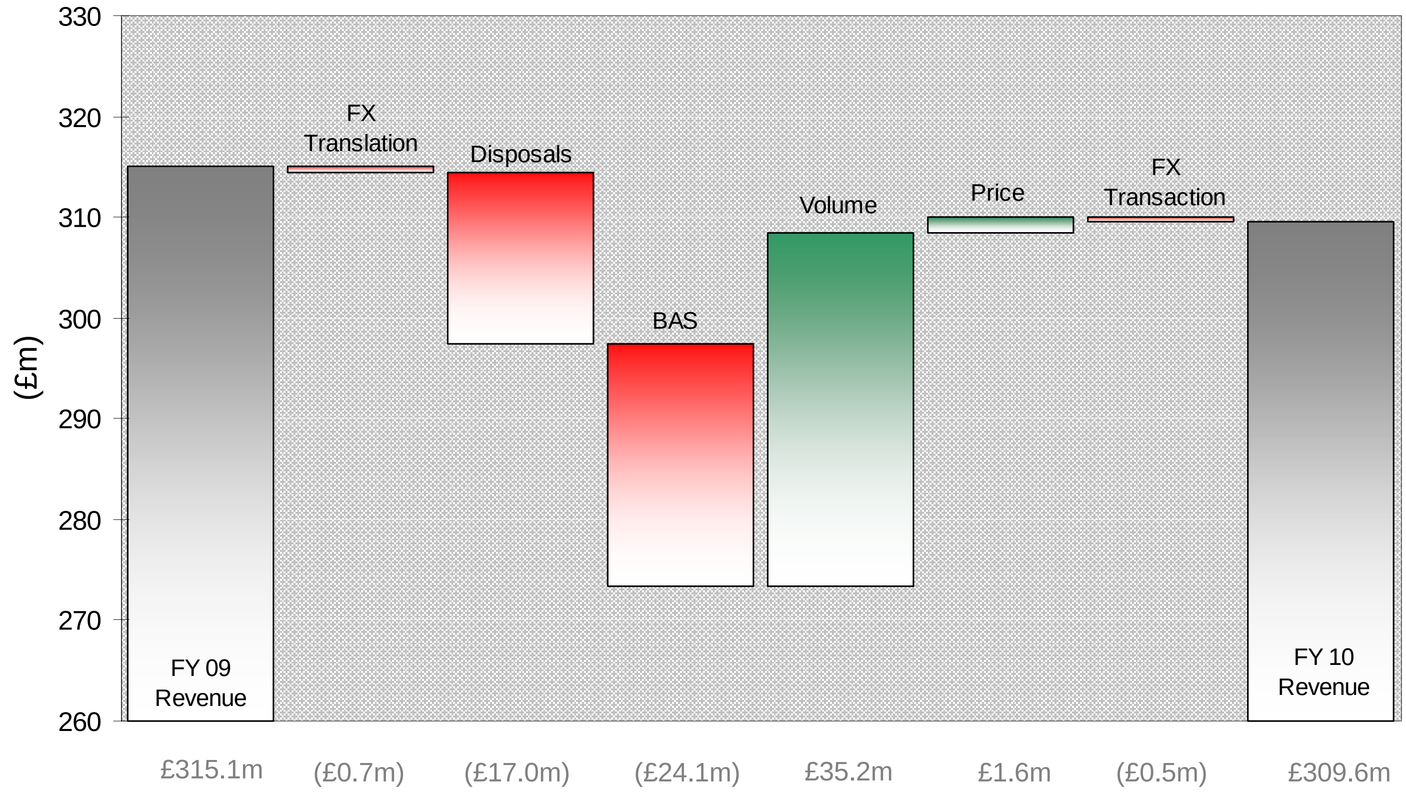
Organic revenue up in constant currency terms

Division	2009 £m	*FX £m*	*Adjusted 2009* £m*	2010 £m	*% ***	Δ Organic £m	*% ***	Δ Disposals £m	*%*
Imaging & Staging	141.8	*(1.3)*	*140.5*	153.7	*9.4%*	13.5	*9.7%*	(0.3)	*(0.3%)*
Videocom	147.0	*(0.1)*	*146.9*	121.6	*(17.1%)*	(8.6)	*(6.6%)*	(16.7)	*(10.5%)*
Services	26.3	*0.2*	*26.5*	34.3	*29.4%*	7.8	*29.4%*	0.0	*0.0%*
Total Revenue	**315.1**	***(1.2)***	**313.9**	**309.6**	*(1.4%)*	**12.7**	*4.3%*	**(17.0)**	*(5.7%)*

** Restated at 2010 average rates (for illustration purposes, including FX translation and transaction effects) ** 2009 adjusted for translation, 2010 for transaction*
Note: This analysis is provided as guidance. It is management's estimate and is not intended to be a statutory presentation.

- Imaging & Staging:
  - Good distribution of new supports and bags
  - Flat staging market
- Videocom:
  - Recovery in broadcast market for supports and lights
  - Wins in IMT microwave systems offset by sale of Clear-Com and end of BAS contract
  - Excluding £24.1m BAS, Videocom organic CER revenue up 14.5%
- Services: Demand from global events such as Winter Olympics

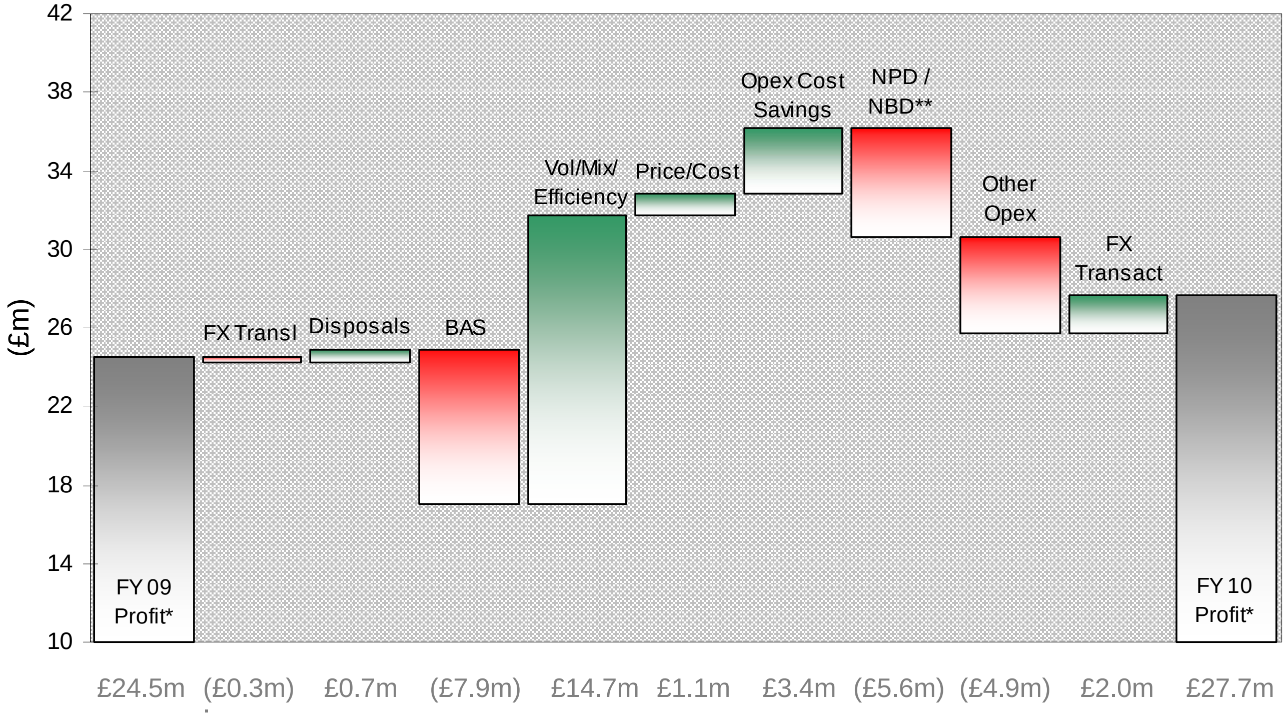
Revenue bridge



Variances are based on management's best estimates and are not a statutory presentation

- Disposals include removal of Clear-Com from Q2 to Q4 2010 and IFF from Q1 2009
- End of BAS contract reduced year on year revenue by £24.1 million
- Volume growth and price increases more than replaced BAS shortfall
- Organic CER growth after adjusting for BAS and disposals was 13.5%

Operating profit bridge



** Operating profit before significant items ** NPD/NBD: new product development and new business development*
Variances are based on management's best estimates and are not a statutory presentation

- Disposal of loss making Clear-Com business increased operating profit by £0.7m
- Volume/mix contributes £14.7m and price changes (net of cost increases) adds £1.1m
- Operating expenses savings from 2009 restructuring impacted £3.4m
- £5.6m NPD/NBD** from Powerbrand, IMT, China expansion and other launched products
- Other opex movements in support of volume growth of £4.9m
- Favourable total impact of FX movements of £1.7m

Cash generated from operations

Invested in working capital for new products

	2010 £m	2009 £m	Δ £m
Operating profit *	27.7	24.5	3.2
Depreciation **	15.0	15.6	(0.6)
Working Capital ***	(2.7)	7.4	(10.1)
Restructuring costs	(4.4)	(5.5)	1.1
UK pension closure/funding	(1.1)	-	(1.1)
Other	0.1	0.8	(0.7)
Cash generated from Operations	34.6	42.8	(8.2)

* *Operating profit before significant items*

** *Includes depreciation and amortisation of capitalised software and development costs*

*** *Change in working capital before significant items and pension*

- Continued tight focus on working capital at 16.2% of sales (Dec 09: 16.7% excluding Clear-Com)
- Inventory days increased to 104 days (Dec 09: 97 days) with increase of £7.8m in net inventory before significant items (mainly Imaging and Staging)
- Debtor days decreased to 39 days (Dec 09: 41 days) despite increase in debtors of £2.6m
- Cash cost of restructuring provided for in 2009 of £4.4m
- Funding of UK defined benefit pension scheme closure cost £1.1m

Free cash flow

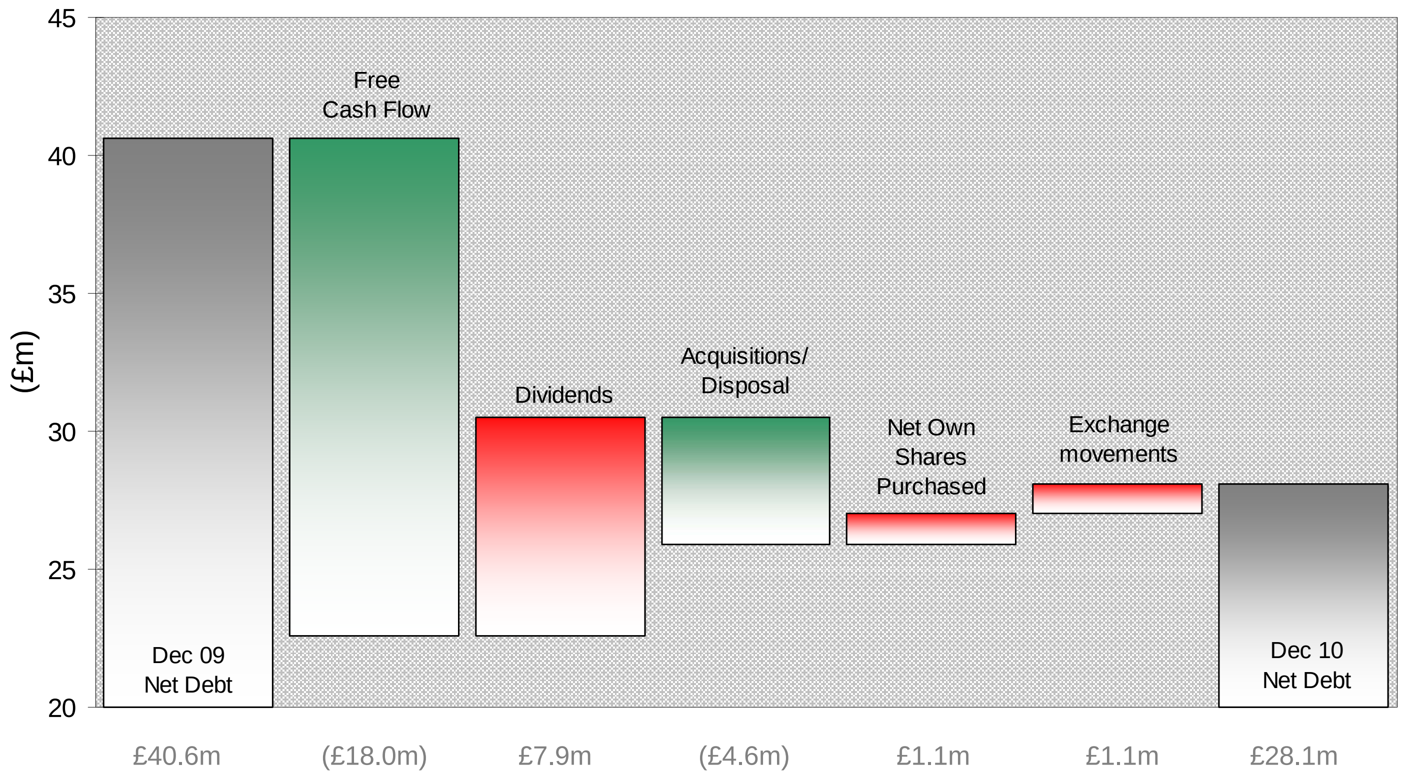
Reduced debt through cash control

	2010 £m	2009 £m	Δ £m
Cash generated from operations	34.6	42.8	(8.2)
Capital expenditure	(16.5)	(15.3)	(1.2)
Proceeds from asset sales	2.0	1.6	0.4
Net interest paid	(1.2)	(2.1)	0.9
Tax paid	(0.9)	(4.3)	3.4
Free cash flow	18.0	22.7	(4.7)

- Capital expenditure higher including capitalisation of £1.5m (2009 £0.6m) of development costs of new IMT platform and Powerbrand
- Net interest paid over the year lower due to net debt reduced to £28.1m
- Tax payments reduced by tax refund from Germany (£2.3m) and US (£2.0m) in relation to prior years

Net debt bridge

£12.5m lower than at 2009 year-end



- Continued strong free cash flow of £18.0m
- Acquisition earn-out of £2.6m to former owners of Litepanels paid, £7.1m inflow from the Clear-Com disposal

Other financial points

- Bank loan utilisation as at 31 Dec 2010 £34.8m (Dec 2009: £52.7m)
  - *Dec 2010 net debt of £28.1m*
  - *Net Debt to EBITDA ratio of 0.7x – improved from December 2009 (1.0x)*
- Tax – Effective tax rate
  - *33% headline charge (FY 2009: 32%)*
  - *FY 2011 guidance: 33%*
- Foreign exchange effects on operating profit: FY 2010 £1.7m better than FY 2009
  - *FY average rates £1=$1.55 and €1=$1.33 (2009: £1=$1.56 and €1=$1.40)*
- UK Defined Benefit pension scheme
  - *Closed on 31 July 2010 for future accrual*
    - *IAS 19 deficit at Dec 2010 of £2.3m (Dec 2009: deficit £6.1m)*
    - *Increased asset values*
    - *Curtailment gain of £2.5m after one-off closure costs in 2010*
    - *In addition liabilities reduced by CPI adoption, partly offset by bond yields decline*
    - *April 2010 fund valuation currently under review by Trustee*

Operational Review

Stephen Bird
Group Chief Executive

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Market conditions

- Broadcast and Video market recovery
  - *Strong growth in global TV advertising markets by 9% in 2010**
  - *Business and Industry market robust*
  - *Transition to HD TV products boosts investment*
- Photographic showed good signs of growth
  - *Core professional segment strong*
  - *CIPA report shipments of DSLR cameras up 30% to 13 million units*
  - *Fast growing hobbyist and consumer segments*
- Other markets
  - *Strong growth in the MAG markets including Intelligence, Surveillance and Reconnaissance (ISR)*
  - *Markets for Staging products were flat across the world*

* *Source: Zenith Optimedia*

Three market strategy progress report

- Broadcast and Video market
  - *Strong core business for supports*
  - *Growth of studio robotic products*
  - *Growth opportunity for LED studio lighting*
  - *Business and Industry opportunity*
- Photographic market
  - *Maintained market leading positions in supports and bags for professional segment*
  - *Launch of Manfrotto Powerbrand targeted at hobbyist and consumer segments*
  - *2011 plan to support increased penetration of consumer electronics and e-tail channels*
- Military, Aerospace and Government (MAG) market
  - *Leveraging leading broadcast microwave technology into MAG*
  - *Secured key orders in ISR US market*
  - *Consolidated operations into new Mount Olive facility*

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Imaging & Staging

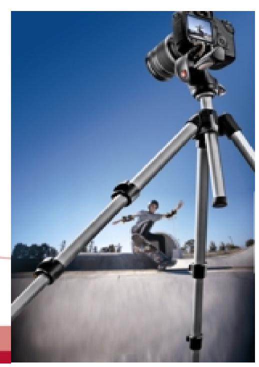
Good growth in camera accessories

	2010 £m	2009 £m	Δ %	Δ Organic CER ** %
Revenue	153.7	141.8	8.4%	9.7%
Operating profit *	18.9	17.7	6.8%	2.3%
Operating margin % *	12.3%	12.5%	(0.2) pts	(0.8) pts

** Operating profit before significant items*
*** Organic CER: at Constant Exchange Rates excluding year on year effect of disposals*

- Photographic markets continue to be strong
- Significant investment in launch of Manfrotto Powerbrand
- Bags business grew with sales of Kata and National Geographic product, up 20% at CER
- Distribution enhanced by new investment in China and Hong Kong and new web platform
- Staging continued to experience weak markets

Manfrotto 504HD and Compact tripod



Videocom

Broadcast customers resume investments

	2010 £m	2009 £m	Δ %	Organic CER ** %	Δ Organic CER ** excl. BAS %
Revenue	121.6	147.0	(17.3%)	(6.6%)	14.5%
Operating profit *	8.4	8.5	(1.2%)	(18.1%)	413.3%
Operating margin % *	6.9%	5.8%	1.1 pts	(0.9) pts	4.9 pts

* *Operating profit before significant items*

** *Organic CER: at Constant Exchange Rates excluding year on year effect of disposals*

Vinten Osprey at the Proms

Litepanels in use at Nova TV

- Improved broadcast market
  - *Particularly in camera supports with excellent operating leverage resulting from actions taken in 2009*
- Litepanels revenue growth up 25%
  - *Eco benefits of LED lighting*
  - *First sales of new Sola product*
- MAG markets
  - *Transition from BAS contract to new customer base based on miniaturised transmitter technology has started well*
  - *Major contract wins including US Department of Justice*
- Clear–Com
  - *Disposed of in April 2010 for a pre-tax profit of £2.2m*

Services

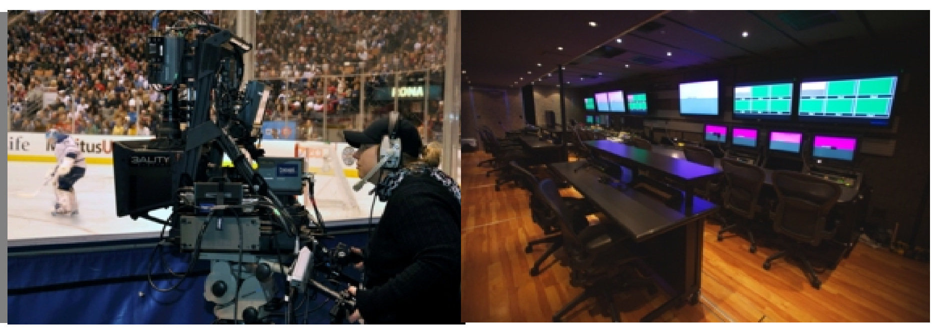
Benefits from major entertainment and political events

	2010 £m	2009 £m	Δ %	Δ CER** %
Revenue	34.3	26.3	30.4%	29.4%
Operating profit *	0.4	(1.7)	n/m	n/m

* *Operating profit before significant items*
** *CER: at Constant Exchange Rates*

- US broadcasters recovering from impact of 2009 advertising reductions
- Largest provision to Winter Olympics in company history
- Strong contribution from new long term OBS contract
- Benefit of cost base consolidation in 2009 and increased efficiency
- New multi year deal with Panasonic for 3D services
- Ambassador programme for Litepanels and IMT

Bexel at 3D ice hockey event and Bexel's BBS One vehicle



Geographic reach

- Wide geographic spread
- Sites in 14 countries; sell into 100+ countries
- Sales: UK accounts for only 7% of revenue
- Growth in Asia/Pacific to 16% of revenue
- New offices opened in China and Brazil

	% of revenue	
Destination	*2010*	*2009*
N America	47	50
Europe	31	31
Asia-Pacific	16	13
RoW	6	6

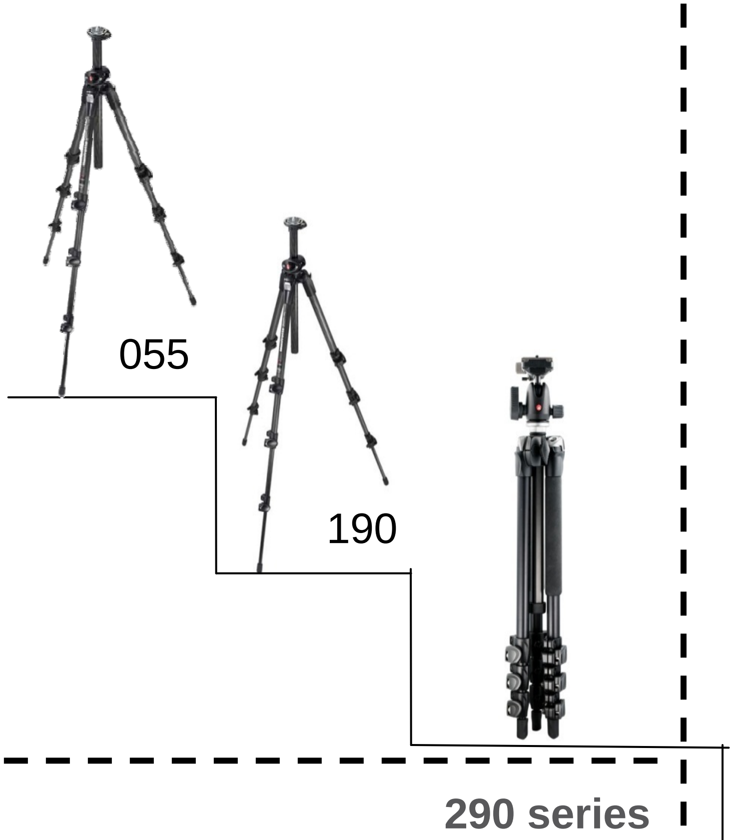
- Group office
- Videocom Division
- Imaging & Staging Division
- Services Division

Imaging new products in 2010: supports

PRO/ AMATEURS

HOBBYIST

CONSUMER



- Launched at Photokina
- Status: in production
- In store: Q1 11

Specialist Channel

CE Channel

Imaging new products in 2010: lights

- Launched at Photokina
- Status: in production
- In store: Q2 11

- Launched at Photokina
- Status: in production
- In store: Q3 11

Imaging new products in 2010: bags

Kata

Manfrotto

- Launched at Photokina
- Status: in production
- In store: Q2 11

National Geographic

Summary and outlook

- ***In 2010 we laid further foundations for future growth with major product launches for Manfrotto, key contract wins in MAG, the opening of facilities in Brazil and China and the consolidation of our Imaging operations in Italy and MAG Operations in New Jersey, USA into new offices.***

- ***We will continue to invest in 2011 to develop our products and services to support the Three Market Strategy of Broadcast and Video, Photographic and MAG. In particular, we will invest further in the Manfrotto Powerbrand. We continue to seek value-adding acquisitions that are consistent with our three market focus.***

- ***We are confident that the successful execution of our strategy will enable us to capitalise on the market opportunities that we have identified and deliver increased shareholder value over the coming years.***

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Questions

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Organisation

The Vitec Group plc

Imaging & Staging

	2010
Sales	£153.7m
Profit	£18.9m

Camera supports
Lighting supports
Bags
Staging systems

Videocom

	2010
Sales	£121.6m
Profit	£8.4m

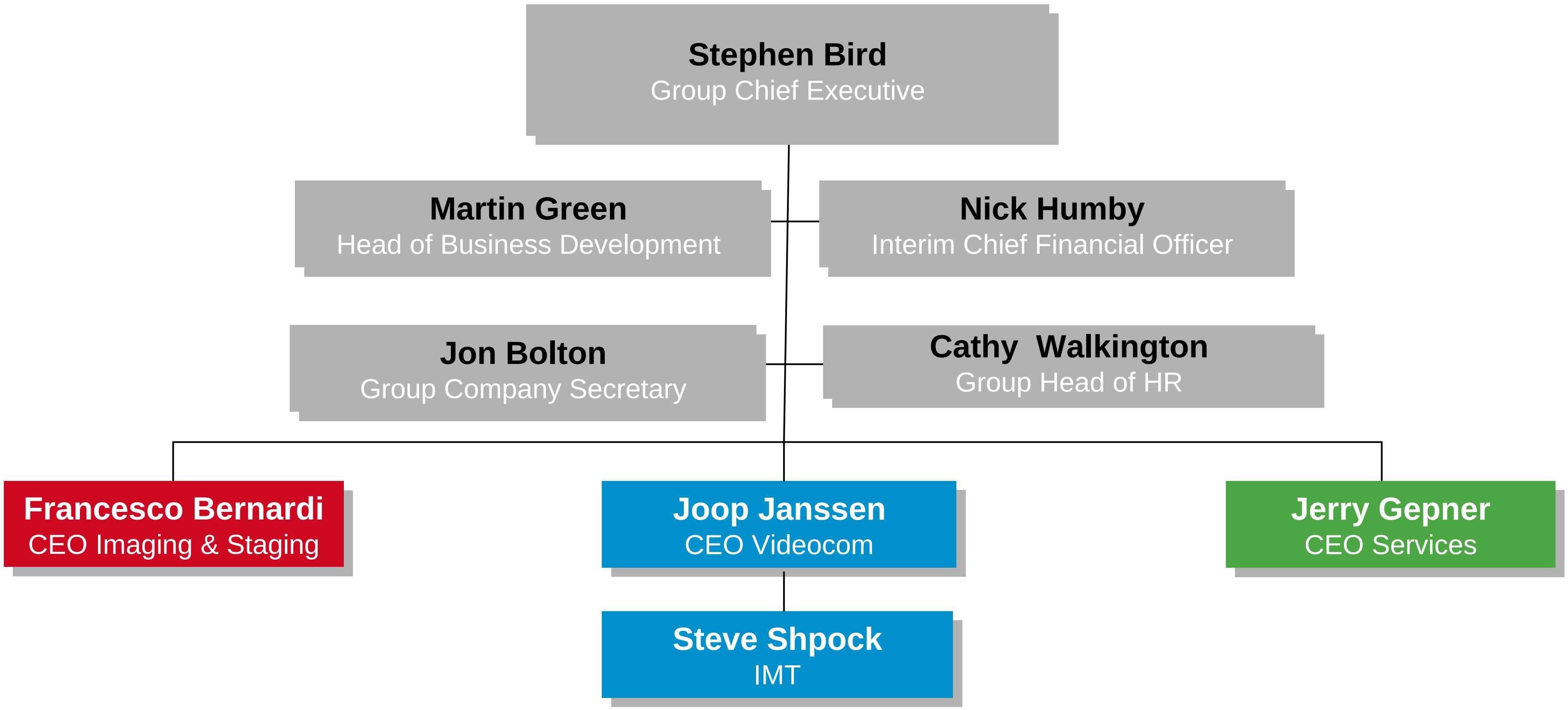
Video camera supports
Bags
Lighting
Mobile power
Prompters
Communication
Microwave systems

Services

	2010
Sales	£34.3m
Profit	£0.4m

Equipment rental
Used broadcast equipment sales
Professional audio sales & systems design
Fibre optic integration & installation

Management structure



Imaging & Staging awards in 2010

Manfrotto proven professional

Joystick Heads

2010 AWARDS TIPA BEST EXPERT COMPACT CAMERA

Manfrotto proven professional

photographer HOT ONE WINNER 2010

732CY M-Y Carbon

Fibre Tripod

KATA

Kata's DR466i

KATA

Kata's Bumblebee
Ultra Light Backpack

reddot award product design

Manfrotto proven professional

Bridge technology 504HD
head for video

KATA

Kata's PR 440

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Videocom new products and awards in 2010

Litepanel's Sola

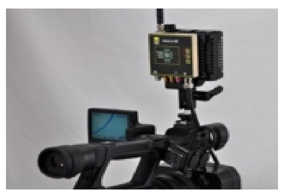
LED Fresnel Light

Petrol's Cambio bag with integrated camera support

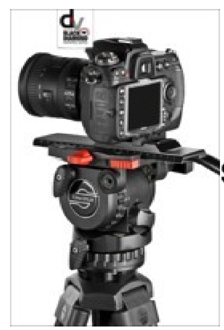
OConnor's O-Grip camera support accessory

Vinten's Vector 430

Anton Bauer's
Modular Charger System



IMT
MicroLite HD COFDM transmitter



Sachtler's cine
DLSR fluid head

Vinten's VisionBlue

Foreign exchange update

Year on year effect on profit	£/$	€/$	£/€	Translation £m	Transaction £m	Total £m
Average FY03	1.63	1.13	1.45	1.2	(2.3)	(1.1)
Average FY04	1.82	1.24	1.47	(0.9)	(3.9)	(4.8)
Average FY05	1.82	1.24	1.46	0.1	(1.0)	(0.9)
Average FY06	1.84	1.25	1.47	(0.2)	(0.5)	(0.7)
Average FY07	2.00	1.37	1.47	(1.3)	(2.4)	(3.7)
Average FY08	1.85	1.46	1.26	3.8	(1.7)	2.1
Average FY09	1.56	1.40	1.12	6.6	3.9	10.5
Average FY10	1.55	1.33	1.17	(0.3)	2.0	1.7

Negatives indicate an adverse effect

Clear-Com disposal 1 April 2010

- Not core to Vitec strategy
- HM Electronics will provide a good home for ongoing development
- Consideration of approximately £8.8m
  - *£8.4m received*
  - *£0.4m deferred consideration*
- Gross assets disposed £10.0m; net assets disposed £5.9m
- Profit on disposal of £4.2m post-tax

UK defined benefit pension scheme closure

- Scheme closed to future accrual for remaining 112 active members at end of July 2010
  - *Closed to new members since 2003*
- Affected active employees encouraged to transfer to Group's defined contribution scheme by small compensation payment
- Benefits to Vitec:
  - *Stems further investment and actuarial volatility risk*
  - *Reduces the annual cost of pension provision in the UK*
  - *Harmonises provision of pension benefits to UK employees in equitable way, at market rates*
- Triennial actuarial valuation as at 5 April 2010 under review

Banking

- Loan facility of £125m
  - *Committed until August 2013*
  - *5 banks*
  - *Current interest at 0.95% over LIBOR**
- Utilisation as at 31 December 2010 £34.8 m (2009: £52.7 m)
  - *Dec 2010 net debt of £28.1m*
- Net debt to EBITDA ratio of 0.7x (2009 1.0x)
- Significant covenant headroom

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