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Vista Group exceeds PFI for 2014 year

Highlights

- Revenue \$2.0m ahead of PFI
- Profit attributable to shareholders at \$4.0m, up 17% on PFI of \$3.4m
- 1,103 new cinema sites installed by Vista Entertainment
- Significant growth in China with successful DADI cinema rollout
- Integration of Movio and MACCS operations into Group successfully completed

Vista Group (NZSX: VGL, ASX: VGI) has today announced its audited results for the 12 months to 31 December 2014. Overall, performance is stronger than the PFI forecasts contained in Vista's offering documents issued in July 2014 and continues the strong revenue growth achieved in the 2013 year.

Group revenue of \$47.2m was \$2.0m or 4.4% up on the PFI forecast. Operating earnings of \$6.6m and profit attributable to shareholders of \$4.0m also exceeded the PFI of \$6.3m and \$3.4m respectively.

Divisional overview

Vista Entertainment Solutions' strong performance was driven by the installation of 1,103 new cinema sites. Amongst the most significant of these customer installations were the completion of the rollout of 583 sites for Regal Cinemas in the USA and the completion of 230 sites for DADI cinemas in China, of which 210 were implemented in just 6 weeks. Global market share has increased to 38%.

A conditional contract to acquire Ticketsoft has the potential to further strengthen Vista's US based operations in the medium term.

Veezi reached 150 installed sites by the end of the financial year and investment in sales and marketing model refinements has resulted in an increasing sales pipeline. Further development of the cloud based software will enable more market requirements to be addressed, particularly in the USA. Work is being undertaken to enable an expansion into markets beyond USA, Australasia and UK.

Movio's performance since its full acquisition in August 2014 remains on target. Movio Media (studio analytics and marketing product) is in BETA testing with studios and is expected to be fully released in Q2 2015. The marketing data analysis and a campaign management platform product

continues to be rolled out through the Vista cinema client base. In addition, the Movio functionality is acting as a draw card to potential new customers.

The core business for **MACCS** performed well in 2014 with growth from US market expansion expected in 2015. The timing of this revenue recognition has resulted in a shortfall in revenue and profit to PFI for 2014.

Financial overview

Vista Group's revenue increased by 30% over the previous year and was underpinned by a strong result from Vista Entertainment, the company's core cinema software division. A record number of new cinema sites were installed (1,103) including installations for the largest exhibitor in the USA (Regal cinemas – 583) and DADI in China (230).

The revenue growth was supported by Vista's cloud based offering VEEZI meeting its installed base target and the data analytics and marketing company Movio meeting forecasts in the period since it was fully acquired in August 2014. MACCS, the Netherlands based supplier of film distribution software made excellent progress on its strategic entry to the USA market and is well positioned for 2015.

Expenses were slightly higher reflecting the associated cost of the increased revenue, the \$1.0m cost of the share based payments allocated at the time of the IPO and the staff reward and retention allocation in December. IPO expenses were largely in line with the PFI forecast. Finance charges were assisted by a small foreign currency gain due to the lower NZ dollar at balance date. Tax expense was up slightly due partly to the higher level of non-deductible expenses related to the capital raising process.

Total assets for the Group were \$94.9m. Cash on hand was \$30.7 with receivables at \$21.9m reflecting the strong finish to the year and strong pre-billing of annual maintenance contracts in December. An increase in current liabilities to \$17.6m reflects the higher level of pre-billing of future maintenance income in December.

Cash flow for the Group remained positive although the cash outflow on operating expenses was higher than forecast as timing of certain payments fell prior to balance date.

Outlook

The start to the 2015 year has been in line with expectations and the business is on track to achieve the forecasts provided in the PFI. With the acquisition of Ticketsoft, A trading update will be provided once the half year results are known. This is anticipated for late August 2015.

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