



# MORE THAN JUST THE MOVIES



INITIAL PUBLIC OFFERING OF ORDINARY SHARES  
IN VISTA GROUP INTERNATIONAL LIMITED

3 July 2014

LEAD  
MANAGER AND  
ORGANISING  
PARTICIPANT



# IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978.)

Investment decisions are very important. They often have long term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

## The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets.

For more information about investing, go to <http://www.fma.govt.nz>.

## Financial advisors can help you make investment decisions

Using a financial advisor cannot prevent you from losing money, but it should be able to help you make better investment decisions.

Financial advisors are regulated by the Financial Markets Authority to varying levels, depending on the type of advisor and the nature of the services they provide. Some financial advisors are only allowed to provide advice on a limited range of products.

When seeking or receiving financial advice, you should check—

- the type of advisor you are dealing with;
- the services the advisor can provide you with;
- the products the advisor can advise you on.

A financial advisor who provides you with personalised financial advisor services may be required to give you a disclosure statement covering these and other matters. You should ask your advisor about how he or she is paid and any conflicts of interest he or she may have.

Financial advisors must have a complaints process in place and they, or the financial services provider they work for, must belong to a dispute resolution scheme if they provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.

Most financial advisors, or the financial services provider they work for, must also be registered on the financial service providers register. You can search for information about registered financial service providers at <http://www.fspr.govt.nz>

You can also complain to the Financial Markets Authority if you have concerns about the behaviour of a financial advisor.

## Important Notice

This document (*Investment Statement*) relates to the Offer by Vista Group Holdings Limited (the *Offeror*) of ordinary shares in Vista Group International Limited (the *Company*) (together, the *Issuers*). The Company is the issuer of the Shares and the Offeror is the issuer and the offeror for the purpose of the Securities Act and Securities Regulations.

This document is an investment statement for the purposes of the Securities Act and the Securities Regulations, and has been prepared at, and is dated, 3 July 2014. It has been prepared in compliance with the Securities Act and Securities Regulations, as modified by the Securities Act (Vista Group International Limited) Exemption Notice 2014. There is a registered prospectus containing an offer of securities to which this Investment Statement relates.

No one is authorised by the Directors or the Issuers to give any information or make any representation in

connection with this Offer which is not contained in this Investment Statement, the Prospectus or in other communications from the Directors or the Issuers. Any information or representation not so contained may not be relied upon as having been authorised by the Directors or the Issuers.

If you are in any doubt as to any aspect of the Offer, you should consult your financial or legal adviser or an NZX Firm.

You should seek your own taxation advice on the implications of an investment in the Shares.

## No Guarantee

No person guarantees the Shares offered under this Investment Statement. No person warrants or guarantees the performance of the Shares or any return on any investment made pursuant to this Investment Statement.

## Selling Restrictions

The Offer is being made to New Zealand resident clients of NZX Firms who receive a firm allocation of Shares and to selected Institutional Investors in New Zealand, Australia and certain other jurisdictions. No person may offer, sell (including resell) or deliver or invite any other person to so offer, sell (including resell) or deliver any Shares or distribute any documents (including this Investment Statement) in relation to the Shares to any person outside New Zealand except in accordance with all of the legal requirements of the relevant jurisdiction.

Unless otherwise agreed with the Issuers, any person or entity subscribing for Shares in the Offer shall, by virtue of such subscription, be deemed to represent that he, she or it is not in a jurisdiction which does not permit the making to him, her or it of an offer or invitation of the kind described in this Investment Statement, and is not acting for the account or benefit of a person within such jurisdiction. None of the Issuers, the Lead Manager, the Registrar or any of their respective directors, officers, employees, consultants, agents partner or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

## Forward Looking Statements

This Investment Statement contains certain statements that relate to the future. Such forward looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of the Vista Group and which may cause the actual results, performance or achievements of the Vista Group to differ materially from those expressed or implied by such statements.

Given these uncertainties, you are cautioned not to place undue reliance on any forward looking statements contained in this Investment Statement. Under no circumstances should you regard the inclusion of forward looking statements as a representation or warranty by the Issuers, their respective officers, the Directors or any other person referred to in this Investment Statement with respect to the achievement of the results set out in any such statement, or that underlying assumptions used will in fact be realised.

## Definitions

Terms used in this Investment Statement have the specific meanings given to them in the *Glossary* (including certain industry specific terms with which you may not be familiar).

Unless otherwise indicated, any references to dates and times are to dates and times in New Zealand and any references to "\$" or "NZD" are to New Zealand dollars.

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## IMPORTANT NOTICE

This document is an investment statement. The purpose of an investment statement is to:

- provide certain key information that is likely to assist a prudent but non-expert person to decide whether or not to subscribe for securities; and
- bring to the attention of such a person the fact that other important information about the securities is available to that person in other documents.

For more information to assist you in deciding whether or not to purchase Shares, you are recommended to read the Prospectus which has been prepared in respect of this Offer. The Prospectus, which includes the most recent financial statements of the Company, can be obtained, free of charge:

- by downloading it from [www.vistagroup.co.nz](http://www.vistagroup.co.nz); or
- by calling the Registrar on (09) 375 5998 and requesting a copy to be sent to you; or
- from the Companies Office website at [www.business.govt.nz/companies](http://www.business.govt.nz/companies).

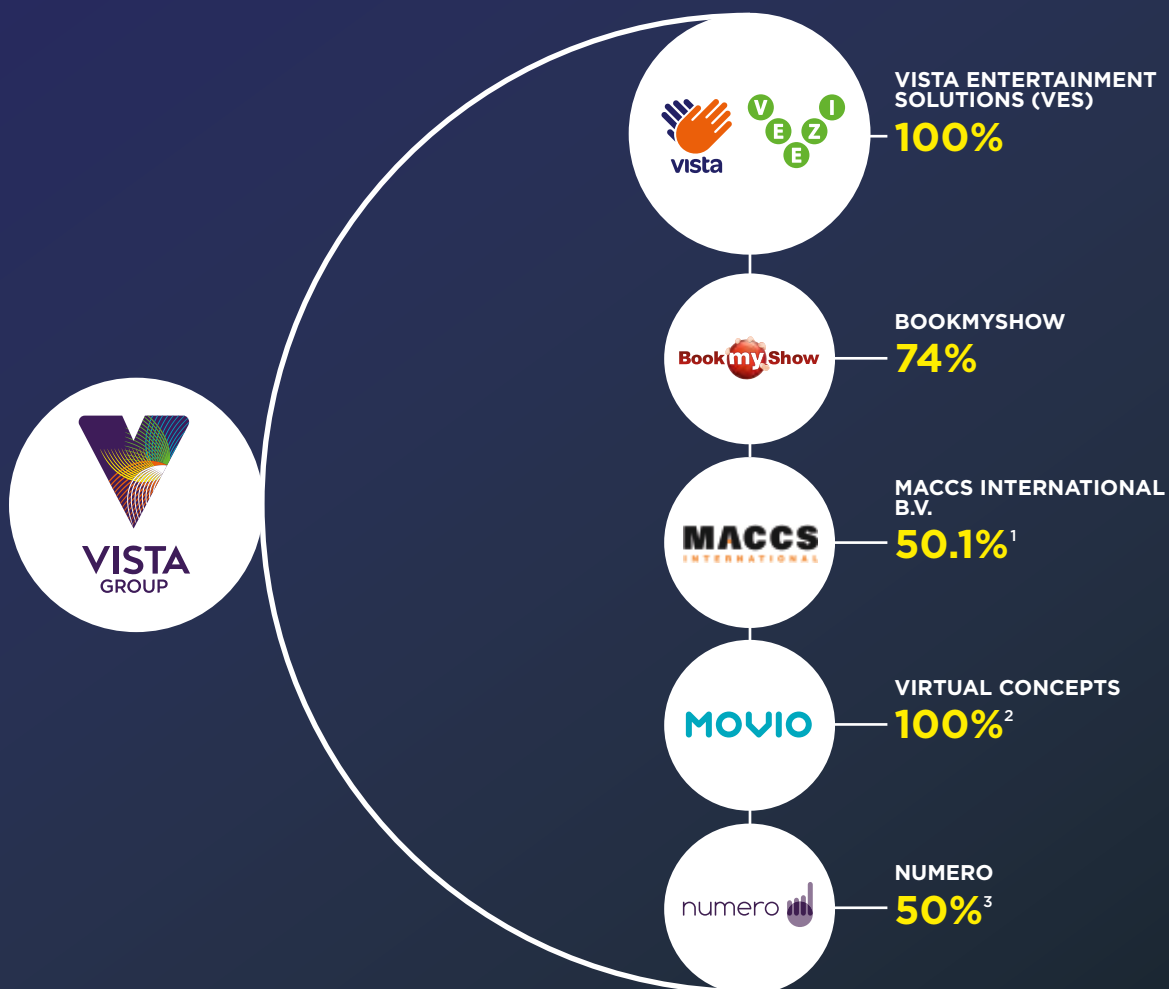
# RETHINKING THE BUSINESS OF THE MOVIES



## THE VISTA GROUP AT A GLANCE

The Vista Group is a global leader in film industry software solutions that comprises six businesses. Building on the leading position of Vista Cinema, the core business within the Group that operates in the cinema exhibition industry, the Vista Group is now expanding to offer solutions across the wider film industry.

## VISTA GROUP COMPANIES



1. MACCS shareholding of 50.1% includes an option to acquire 25%. The Company intends to exercise this option as at 1 September 2014.

2. The Vista Group will use proceeds from the Offer to acquire the remaining 43% in Virtual Concepts post the Offer.

3. As at the date of this Investment Statement, the Company holds all of the shares in Numero. Certain Numero senior managers have been offered (and have accepted subject to agreement of appropriate documents) a 50% stake in Numero. The allotment of these shares is intended to be completed in FY14F. Further information on this transaction is set out under the heading "Sale of shares in Numero" in the *Appendix*.

# OPERATING ACROSS THE FILM INDUSTRY

## VISTA GROUP BUSINESSES

For more details on each Vista Group business please refer to *Section 4: Business Overview*.

### CINEMA AND DISTRIBUTOR SOFTWARE



Vista Cinema is comprehensive and integrated software that delivers a total solution to optimise cinema management for multiplex cinema exhibitors (the Large Circuit Market where cinema exhibitors operate 20 screens or more).

The software operates as modules covering all operational aspects of the cinema, Head Office operations, and customer facing modules to enable customers of the cinema to purchase tickets and food and beverage.

Vista Cinema is installed in more than 60 countries around the world and is the pre-eminent cinema software globally, with a market share in the Large Circuit Market of approximately 37% worldwide.

Management estimates that over 1 billion cinema tickets are processed every year through Vista Cinema.



Veezi offers cinema software similar to Vista Cinema, through a cloud based SaaS product that has been created for the Small Circuit Market (cinema exhibitors who operate less than 20 screens).

Veezi only recently launched with an initial 50 cinemas in 9 countries. Management estimates that the total market for Veezi is in excess of 20,000 sites.



BookMyShow is a cinema ticketing website operated in New Zealand. It primarily acts as a service to Small Circuit Market cinemas that prefer to outsource this process.



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## **MACCS** INTERNATIONAL

MACCS provides film distribution software to the film distribution market (which primarily handles the placement of films by film distributors into various sales channels (e.g. cinema exhibition, home entertainment etc) and the collection of royalties from those channels). MACCS is the largest provider of this type of software outside of the USA, including Paramount Pictures International and Warner Bros International.

### DATA ANALYTICS

## **MOVIO**

Movio provides a SaaS marketing data analysis and campaign management platform for cinema exhibitors and distributors. Movio's software offerings are built around the latest technology in the Big Data space. Movio operates in six regions worldwide and holds unique insights for over 26 million cinema-goers, more than 1,000 cinemas, and over 1,000 films.

## numero

Numero is scheduled to launch in the second half of 2014. It will provide an aggregated box office reporting platform, designed to give the film industry and media vital information in a clean, fast and effective manner. Numero differs from Movio in that it provides more high level data on box office revenue and admissions. This new business opportunity will build off Movio's Big Data technology and the Vista Group's global scale and relationships.

# OUTLOOK AND GROWTH

As part of the Vista Group's growth strategy, it intends to use the capital raised from the Offer to increase its shareholding of MACCS and Movio, as well as investing in its newer businesses, Veezi and Numero.





# OK GROWTH



**Numero** is a new venture into a market that is dominated by a single company, Rentrak Corporation. There is an opportunity in the market for an alternative provider that provides a faster and more modern service.



**MACCS** has built a strong product line that is well respected in many international markets. However, MACCS has yet to penetrate the USA, the largest distribution market. Using the base that VES has established in the USA, and VES's reputation and wide network of industry contacts, MACCS is now better positioned in the USA, as well as other markets that VES has customers in but MACCS does not.



**Movio** has undergone rapid growth in its first three years of operation. Movio's marketing analytics and campaign management SaaS platform is licenced by leading cinema circuits in North America, Central America, Australasia, and Asia. Movio plans to build on its recent expansion by strengthening its position in existing territories and using the Vista Group industry connections and network to grow its market share globally. Movio also plans to build an analytics and marketing platform to provide market research and analytics for film studios and distributors and media.

# CHAIRMAN'S LETTER

3 July 2014

## Dear Investor

On behalf of the Board of Directors, I am delighted to invite you to become a shareholder in Vista Group International Limited.

I have worked in the cinema industry for more than 20 years and first became aware of the Vista Group as a customer. What impressed me about the business then was its focus on creating a customer driven solution for the cinema operator.

Since our founding in 1996, we have grown consistently to become the leading supplier of software to the cinema industry with 37% of the Large Circuit Market globally (cinema exhibitors operating more than 20 screens). Our customers operate across more than 60 countries with more than 27,000 cinema screens utilising our software.

Our success and profitability to date has provided the Vista Group with an exciting opportunity to not only substantially grow its traditional business in cinema, but also to begin the transition from a cinema software company to a much broader film industry software company.

We have commenced down this path with our recent investments in data analytics (Movio and Numero), cloud based SaaS software for the Small Circuit Market (Veezi) and film distribution software (MACCS). These businesses have high quality software and great people, and are well positioned to leverage off the Vista Group's scale and industry relationships.

This Offer will raise \$40 million in new capital which will be applied to repay debt associated with, and fund the acquisition of, controlling positions in Movio and MACCS, assist in the expansion of Veezi in markets around the world, provide start-up capital for Numero and provide capital for future acquisitions and developments. The Group has a history of paying dividends, however at this stage we do not intend to pay a dividend until at least 2016 as we focus our capital on accelerating our software and data analytics growth within the film industry.

The Existing Shareholders are committed to the long term success of the Vista Group. They will sell down approximately 37% of their holdings, retaining between 45% and 49% of the post Offer shareholding, after dilution. Their remaining shares will be voluntarily locked up until 2016, after the release of our 2015 results.

We will be facilitating a share offer to current employees as follows:

- Eligible Vista Group Employees will be gifted Shares with a gross value of approximately \$1,000 (at the Final Price) per employee prior to allocation under the Offer.
- An allocation of Shares is also offered to Eligible Employee Offerees at a 20% discount to the Final Price.

If fully subscribed, the two employee share offers will represent approximately 0.5% of the total share capital and recognises a high regard for our increasing number of employees and their general desire to hold shares in the company that they are fundamental in building. Also, we are amending remunerations terms for employees in other territories to financially replicate an element of Share ownership. In addition, a Long Term Incentive share scheme will be put in place post listing to incentivise senior management.

I should also mention that the independent Directors have indicated they intend to purchase shares in the Offer.

The Investment Statement and Prospectus contain important information about the Vista Group and the Offer. We encourage you to read the offer documentation and carefully consider the opportunities and risks before making your investment decision.

On behalf of the Board, we commend this Offer to you. We look forward to welcoming you as a Shareholder.

Yours sincerely,



**Kirk Senior**  
CHAIRMAN



## CEO'S LETTER

3 July 2014

### Dear Investor

The founding members of the Vista Group have been working on the Vista Cinema software since 1996. Through this time we have built the most comprehensive software solution for cinema exhibitors available anywhere in the world.

The software covers all aspects of cinema operations – from front of house ticketing and food & beverage sales, internet and mobile sales, back of house management and programming, loyalty systems and corporate circuit management and information systems.

From a single cinema in 1996 the software is now installed in over 3000 sites in 60+ countries, and over one billion cinema tickets per year are produced with the Vista Cinema software.

One of our strengths is our people and their passion for our products. The Vista Group has very high staff retention rates, with many staff having been with us for 10 years and more. Many of those long serving staff members are Shareholders, and immediately prior to this share offering the Company has been 100% owned by management and staff.

Our company has built a reputation on innovation. Over recent years the cinema industry has been going through considerable change. The move to digital media from film has been significant. This change has led cinema exhibitors to evaluate all parts of their technology and information systems. Also significant has been the move toward more sophisticated food and beverage offerings that include bars, restaurants and in-seat service. This has led cinemas to look for more sophisticated food and beverage systems that integrate well with their core cinema offering. Like all forms of entertainment, cinema faces increasing competition from a wide variety of entertainment offerings, so the demand for advanced loyalty management systems, mobile apps and marketing systems has risen.

The Vista Group is at the forefront of the industry and is well placed to take advantage of these changes and the increase in demand for sophisticated software to meet these changes. Vista Cinema remains the core of our business, with the Veezi, MACCS, Movio and Numero products providing further opportunities for Vista Group to leverage the success of this platform into other parts of the film industry; from the movie-goer and cinema exhibition through distribution to production.

To achieve this, 2014 has been, and continues to be an investment year. While revenue growth will continue, profit will be roughly in line with 2013. Looking through to 2015 and beyond we believe we will see a return to bottom line growth from our existing businesses with additional growth expected from opportunities that our equity raising will enable us to pursue.

At the Vista Group, we have often talked about building an enduring New Zealand company. This move to public ownership will help to achieve that. It will also enable a wider number of staff to participate in the success of the company and retain the participation of the Existing Shareholders.

I am excited about this opportunity for staff and investors to participate in the success of the Vista Group and look forward to having you join us.

Yours sincerely,



**Murray Holdaway**  
CEO AND FOUNDER



# BAL

## INVESTMENT OVERVIEW

This is an initial public offering of ordinary shares in Vista Group International Limited.

The Vista Group provides Cinema Management Software, Film Distribution Software and customer analytics software to companies across the global film industry. You can find more information about the Vista Group in *Section 4: Business Overview*.

The Offeror is offering between 37.2 million and 41.4 million Shares in the Company, with a value of between \$86.9 million and \$100.3 million based on the Indicative Price Range. Existing Shareholders will retain between a 45% and 49% shareholding in the Company post the Offer.

The existing Shares held by the Existing Shareholders and new Shares to be issued by the Company will rank equally in all respects.

The Offer comprises the Broker Firm Offer, the Vista Group Employee Offer and the Institutional Offer. There will not be a general offer to the public. You can find more information about the Offer in *Section 8: Offer Details*.

### Key Dates<sup>1</sup>

Prospectus Registered	4 July 2014
Final Price announced	16 July 2014
Offer opens	17 July 2014
Vista Group Employee Offer closes (12.00pm)	25 July 2014
Broker Firm Offer closes (12.00pm)	1 August 2014
Allotment Date	8 August 2014
Expected commencement of trading on the NZX Main Board and ASX	11 August 2014
Expected dispatch of holding statements and any refund payments (if required)	11 August 2014

### Key Offer Statistics

Indicative Price Range <sup>2</sup>	\$2.10 to \$2.70
Total number of Shares offered	41.4 million to 37.2 million
New Shares being offered to raise up to \$40 million <sup>3</sup>	19.0 million to 14.8 million
Expected number of existing Shares being offered	22.4 million
Indicative Offer Size	\$86.9 million to \$100.3 million
Total number of Shares on issue upon completion of the Offer <sup>4</sup>	82.2 million to 77.2 million
Implied market capitalisation following the Offer	\$172.6 million to \$208.4 million
Prospective Net Cash <sup>5</sup>	\$26.6 million
Indicative Enterprise Value (EV) <sup>6</sup>	\$145.9 million to \$181.8 million

KEY INVESTMENT METRICS	FY14F PRO FORMA	FY15F STATUTORY
EV/EBITDA multiple	15.7x – 19.6x	11.1x – 13.8x
EV/EBITA multiple	17.4x – 21.7x	11.7x – 14.6x
Price/NPATA	31.8x – 38.4x <sup>7</sup>	20.2x – 24.4x

<sup>1</sup> This timetable is indicative only and may be amended. The Issuers reserve the right to vary the Offer, withdraw the Offer at any time before the Allotment Date and accept late Applications (either generally or in individual cases).

<sup>2</sup> The Final Price will be announced following a bookbuild and prior to the Offer opening and may be above, within or below the Indicative Price Range.

<sup>3</sup> New shares issued of up to \$40 million includes \$0.8 million of Shares offered under the Vista Group Employee Offer. The Vista Group Employee Offer is offered at a 20% discount to the Final Price.

<sup>4</sup> Indicative only. This figure includes the Shares issued as part of the Vista Group Employee Gift and the new Share component of the Offer. You can find out more information on the Vista Group Employee Gift under the heading "Vista Group Employee Gift" in *Section 5.2.6: Executive Remuneration and Share Plans* of the Prospectus. This figure also includes \$6.8 million of new Shares issued as part of the total consideration for Virtual Concepts (Movio), which do not form part of the Offer. You can find out more information on the Movio transaction under the heading "12: Acquisition of a Business or Subsidiary" in *Section 10: Statutory Information* of the Prospectus.

<sup>5</sup> Prospective Net Cash is a non GAAP measure and is defined as the forecast value of cash less current and non-current borrowings as at 31 December 2014.

<sup>6</sup> Calculated as the implied market capitalisation plus the prospective Net Cash.

<sup>7</sup> NPATA of \$5.4 million in FY14F excludes Offer costs of \$1.7 million.

At present, the Vista Group does not intend to pay a further dividend in relation to FY14F or FY15F, but instead to use the available capital to execute on growth opportunities.

These metrics are provided to help you assess the value of the Vista Group. Indicative market capitalisation, indicative EV, prospective EV/EBITA multiple prospective, EV/EBITDA multiple and Price/NPATA ratios are shown based on the lower and upper values of the Indicative Price Range. The calculations are explained in the table set out at the end of the Glossary.

### Use of Offer Proceeds

Acquisition of controlling share in MACCS <sup>8</sup>	\$9.3 million
Acquisition of Movio to move to 100% shareholding <sup>9</sup>	\$4.0 million
Provision for final settlement to Movio investors based on performance <sup>10</sup>	\$4.6 million
Numero funding requirements	\$2.6 million
Offer expenses	\$3.9 million
Funding for future acquisitions and developments <sup>11</sup>	\$15.4 million

### Selected Pro Forma Financial Information

The Vista Group has presented the financial information below on a Pro Forma basis. The Vista Group believes this Pro Forma information more closely reflects the Group's post-Offer business because it shows the Vista Group as including the acquisitions of MACCS and Movio and provides a better basis for investors to assess both historical and prospective financial information.

	FY11	FY12	FY13	FY14F	FY15F
\$,000	PRO FORMA	PRO FORMA	PRO FORMA	PRO FORMA	STATUTORY
Revenue	25,018	33,727	38,670	49,901	61,547
EBITDA (before Offer costs) <sup>12</sup>	4,475	8,788	8,968	9,285	13,196
EBITA (before Offer costs) <sup>12</sup>					12,463
NPATA					8,554
NPAT					8,106

Wherever prospective financial information appears in this Investment Statement (including in the selected Pro Forma financial information and key investment metrics presented in this section) you should read that financial information together with the assumptions set out in the *Appendix* and also the risk factors set out in *Section 6: What are my Risks?* of this Investment Statement and the Prospectus. There is no guarantee that the results set out in the prospective financial information will be achieved.

NPAT is a GAAP measure. However, the trend in net profit after tax, in the table above: *Selected Pro Forma Financial Information*, is only included for FY15F as the Pro Forma NPAT for FY11, FY12, FY13 and FY14F do not have GAAP measures that are comparable due to changes in the Group as a result of the acquisitions of MACCS and Movio.

The non-GAAP financial information used in this Prospectus has the following meaning:

<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EBITA</b>	Earnings before interest, tax and amortisation
<b>NPATA</b>	NPATA is net profit after income tax before amortisation
<b>Prospective Net Cash</b>	The forecast value of cash less current and non-current borrowings as at 31 December 2014

<sup>8</sup> This represents the initial 25.1% investment for \$4.8 million and the second investment (utilising the 25% option) of \$4.5 million, which will take the Company's shareholding to 50.1%. The Company intends to exercise this option as at 1 September 2014.

<sup>9</sup> Total initial consideration of \$10.8 million is made up of \$4.0 million cash and \$6.8 million of new Shares to be issued.

<sup>10</sup> Expected performance based payment of \$5.9 million which is reflected in the balance sheet on a present value basis of \$4.6 million in FY14F (assuming the performance payment is made in cash (and not in shares)). Payment is expected to be made in two tranches in FY16 and FY17. Further information is available under the heading "Deferred Consideration" in *Section 5.2.6: Executive Remuneration and Share Plans* of the Prospectus.

<sup>11</sup> Management intends to pursue further growth opportunities. These may include acquiring competitors, new business opportunities in the film industry, expansion of the Vista Group's Big Data activities or other opportunities that present strategic and commercial benefits to the Group.

<sup>12</sup> Including non-controlling interest in MACCS.



SECTION 2:

INVESTMENT HIGHLIGHTS



## **INVESTMENT HIGHLIGHTS**

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**1. A GLOBAL LEADER IN THE  
CINEMA INDUSTRY**

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**2. ANALYSIS & MARKETING SPEND  
INCREASINGLY BEING DRIVEN  
BY THE ABILITY TO CAPTURE  
BIG DATA**

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**3. GROWTH ACROSS CORE  
CINEMA SOFTWARE BUSINESS  
AND BROADER FILM INDUSTRY  
THROUGH MOVIO, MACCS  
AND NUMERO**

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**4. CINEMA INDUSTRY RESILIENT  
AND GROWTH OUTLOOK POSITIVE**

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**5. STRONG FINANCIAL AND  
OPERATIONAL PERFORMANCE**

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**6. EXPERIENCED BOARD AND  
RESPECTED MANAGEMENT  
TEAM LED BY FOUNDERS**

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# 1

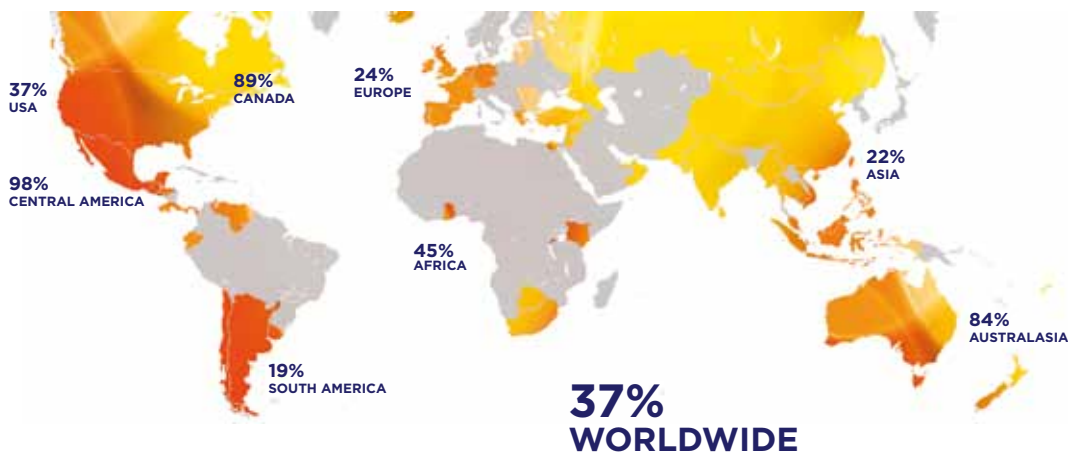
## GLOBAL LEADER IN THE CINEMA INDUSTRY

Leading market position in the Large Circuit Market, with a global market share of approximately 37%.

VES has more than 350 customers whom it services through its offices and business partners in 11 countries.

The significant cost, time and risk associated with developing and implementing cinema software creates a significant barrier to entry for other potential competitors.

### VISTA CINEMA GLOBAL OPERATIONS AND MARKET SHARE<sup>13</sup>



 CUSTOMER FOOTPRINT OF VISTA CINEMA

<sup>13</sup> Vista Cinema market share is calculated based on the number of contracted sites in the Large Circuit Market.



# 2

## **ANALYSIS & MARKETING SPEND INCREASINGLY BEING DRIVEN BY THE ABILITY TO CAPTURE BIG DATA**

Through day-to-day transactions, cinema exhibitors collect large amounts of customer data. Movio's marketing analytics and campaign management solutions enable cinema exhibitors and distributors to analyse this data, create marketing campaigns with personalised offers and accurately measure return on investment.

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Movio has the potential to be the largest aggregator of customer film data globally, providing the film industry (cinema exhibitors, film studios and distributors and media agencies) with an in-depth understanding of cinema-goers.

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Numero is scheduled to launch in the second half of 2014. It will provide an aggregated box office reporting platform, intended to give the film and media industries vital information in a clean, fast and effective manner.

# GROWTH ACROSS CORE CINEMA SOFTWARE BUSINESS AND BROADER FILM INDUSTRY THROUGH MOVIO, MACCS AND NUMERO

High quality cinema software that has a proven track record and is continually being developed to meet customer needs. Since the beginning of 2013, VES has secured 40 new customers including the world's largest cinema exhibitor, Regal who operates 575 locations in the United States.

Total screen numbers, in the cinema exhibition industry, are forecast to grow 4.4% from 2012 – 2017 globally, and 21.1% within developing cinema markets.<sup>14</sup>

Broader film industry growth through Movio, MACCS and Numero leveraging off the worldwide VES sales and distribution network.

# 3

## VISTA GROUP GLOBAL OPERATIONS



- VISTA GROUP OFFICES
- VISTA CINEMA BUSINESS PARTNERS
- CUSTOMERS' FOOTPRINT OF VISTA GROUP

<sup>14</sup> Dodona Research 2013

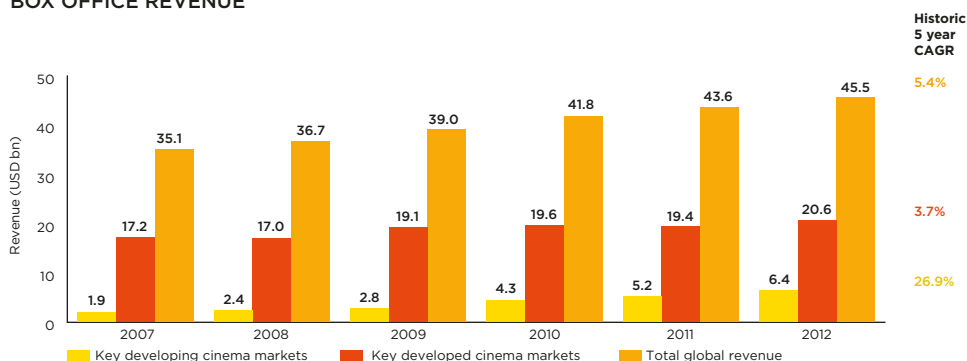
# 4

## CINEMA INDUSTRY RESILIENT AND GROWTH OUTLOOK POSITIVE

Developed countries<sup>15</sup> generated approximately \$20.6 billion of revenue through 1.6 billion Admissions in 2012. Historically developed cinema markets have experienced box office revenue annual compound growth of 3.7% from 2007 to 2012.

Developing markets provide a significant growth opportunity due to the low level of screen penetration. The Vista Group is well positioned to maximise the opportunity in these developing cinema markets as the number of screens increases along with box office revenue.

### BOX OFFICE REVENUE



<sup>15</sup> Being the USA, Canada, the UK, Australia and New Zealand.

# 5

## **STRONG FINANCIAL AND OPERATIONAL PERFORMANCE**

Revenue CAGR since 2009 of 20% with increasing Recurring Revenue, providing a significant degree of revenue visibility.

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Profitable since 1996.

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A high level of ongoing service and innovation results in customer retention rates being high.

As at 31 May 2014, 43 Vista Cinema customers have marked their 10 year anniversary with VES.



# 6


## **EXPERIENCED BOARD AND RESPECTED MANAGEMENT TEAM LED BY FOUNDERS**


The Vista Group is led by a respected and long standing management team which includes the founders of VES from 1996. The management team is supported by a highly innovative workforce with proven development and sales expertise and a strong focus on customer service.

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The Board of Directors comprises a broad range of skills and expertise from finance, software development and broader film industry knowledge, together with strong governance, finance and leadership experience.



The image shows a large audience seated in a theater, viewed from behind. They are facing a stage with a large screen. The screen displays the 'powered by vista' logo, which consists of a stylized hand icon and the text 'powered by vista'. The background of the screen is a gradient of teal and orange. The audience is mostly in grayscale, with some color visible in the foreground. A large circular graphic element is overlaid on the image, partially obscuring the audience and the screen.

 powered by vista

**STABLE GROWTH IN DEVELOPED  
CINEMA MARKETS WITH SIGNIFICANT  
GROWTH POTENTIAL IN DEVELOPING  
CINEMA MARKETS**

THE VISTA GROUP IS A PARTICIPANT IN THE GLOBAL FILM INDUSTRY. THE INDUSTRY CONSISTS OF ORGANISATIONS WHICH ARE PRIMARILY ENGAGED IN THE PRODUCTION, DISTRIBUTION AND EXHIBITION OF FILMS.

FIGURE 1: OVERVIEW OF THE GLOBAL FILM INDUSTRY







INDUSTRY OVERVIEW

Film production

The film production industry consists of various players including major production studios as well as a number of smaller, independent production houses. On a global level, films produced by USA studios typically account for the majority of film production industry revenues. This is a result of larger film budgets, the vertical integration of the production and distribution functions and the robust advertising and marketing budgets of US production companies.

Film distribution

The distribution of a film involves the process through which a film is made available to an audience. Today, there are an increasing number of channels through which films can be distributed including theatrical release in cinema theatres, home entertainment release (where a film is made available on DVD-Video or Blu-ray Disc), television program release for broadcast syndication and in more recent years, digital distribution including video streaming. The global film distribution industry is represented by the six major Hollywood film studios as well as a large number of highly fragmented and regionalised distributors across the world. Theatrical release in cinema theatres remains the primary channel for new film distribution.

Cinema exhibition

Cinema exhibition involves the public screening of films at cinema theatres on cinema screens. This global film exhibition industry generated approximately USD46 billion in sales in 2012. The industry attracts over 6 billion patrons per annum globally and its revenue grew at a CAGR of 5.4% from 2007 to 2012. The competitive landscape of cinema exhibitors varies greatly from region to region with some markets being highly fragmented (for example, India) and other markets having a regional leader (for example, Canada).

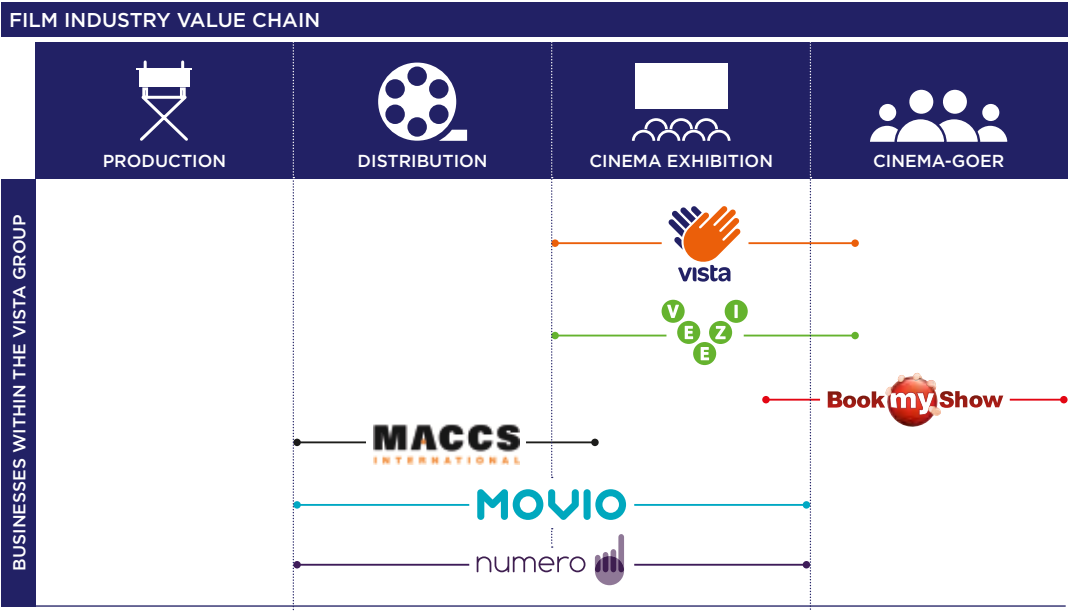
Cinema-goer

Interfaces with cinema customers such as mobile ticketing, online ticketing and social media apps, are increasingly demanded by cinema exhibitors. The Vista Group provides many of these services to cinema exhibitors through Vista Cinema, Veezi and BookMyShow. This offering is likely to be further developed over time so that the end consumer will develop into a target market for the Vista Group.

The Vista Group

The Vista Group provides Cinema Management Software, Film Distribution Software and customer analytics software to companies across the global film industry. The Vista Group has historically focussed on the cinema exhibition segment of the market. However as illustrated in Figure 2, in recent years, the Group has expanded its services to customers across the broader film industry.

FIGURE 2: VISTA GROUP COMPANIES WITHIN THE FILM INDUSTRY



## CINEMA EXHIBITION

### Cinema Exhibition Market Overview

The Vista Group currently derives the majority of its revenue from the cinema exhibition market.

Cinema exhibition markets around the world can be classified as either developed or developing cinema markets:

- Developed cinema markets tend to have a higher number of screens and higher Admissions per capita. Developed cinema markets focused on in this Investment Statement and the Prospectus include the USA, the UK, Canada, Australia and New Zealand.<sup>16</sup>

- Developing cinema markets typically have a relatively lower number of screens and Admissions per capita and a lower proportion of multiplex cinemas. Developing cinema markets focused on in this Investment Statement and the Prospectus include China, Thailand, United Arab Emirates, Romania, Russia, Chile, Colombia and Brazil.

India does not strictly fit either definition above as it has a high number of independent operators with single screen cinemas. Importantly, India is a large cinema-going market and VES currently has a greater than 50% share of the Large Circuit Market.

FIGURE 3: SNAPSHOT OF THE GLOBAL CINEMA INDUSTRY (2012)

	Revenue (US\$billion)	Screens	Admissions (billion)	Average screens per million people	Average Admissions per capita
North America	16.7	42,868	1.3	106	3.6
Europe	12.6	34,338	1.1	58	1.7
Asia	10.3	34,045	3.0	22	1.8
Latin America	3.4	10,593	0.5	20	1.1
Australia & New Zealand	1.8	2,404	0.1	89	3.5
Middle East & Africa	0.7	3,113	0.1	24	1.0
<b>Total</b>	<b>45.5</b>	<b>127,361</b>	<b>6.2</b>	<b>27</b>	<b>1.7</b>

Source: Dodona Research 2013

### Drivers of the cinema exhibition market

Cinema exhibition revenue is driven by Admissions and the number of screens. Specifically, the number of screens is particularly relevant to the Vista Group's business model.

#### Admissions

Admissions is a driver of cinema exhibition revenue. In 2012 the global cinema industry attracted approximately six billion patrons. Global Admissions is forecast to grow at a CAGR of 4.8% between 2012 and 2017.

#### Screens

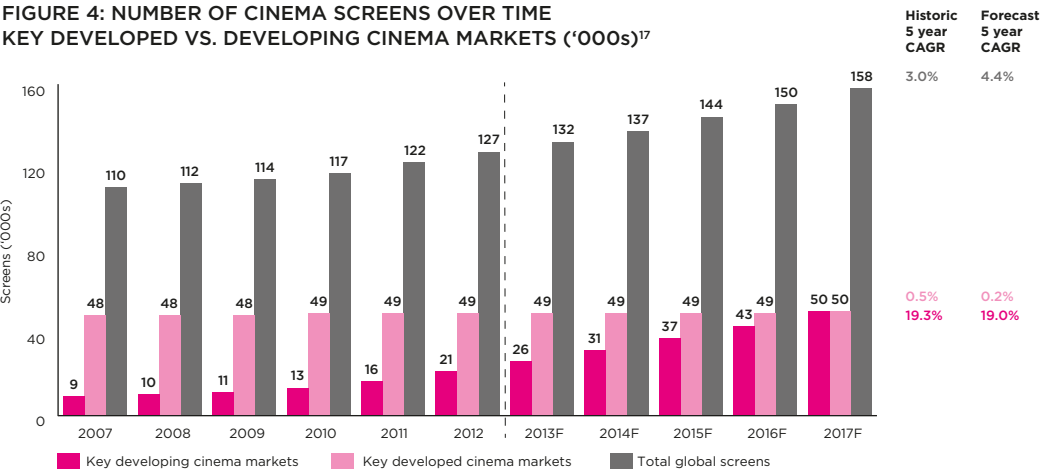
Cinema exhibition revenue is also impacted by the number of screens in each region. In 2012, there were approximately 127,000 screens globally. This number is expected to increase to approximately 158,000 screens by 2017. As illustrated in Figure 4, the growth in number of screens is primarily as a result of the developing cinema markets, where the current screens per capita is low relative to the other regions.



<sup>16</sup> Europe has been excluded on the grounds that, due to a mixture of developed and developing markets, an aggregated figure would not be representative of all markets.

INDUSTRY OVERVIEW

FIGURE 4: NUMBER OF CINEMA SCREENS OVER TIME  
KEY DEVELOPED VS. DEVELOPING CINEMA MARKETS ('000s)<sup>17</sup>

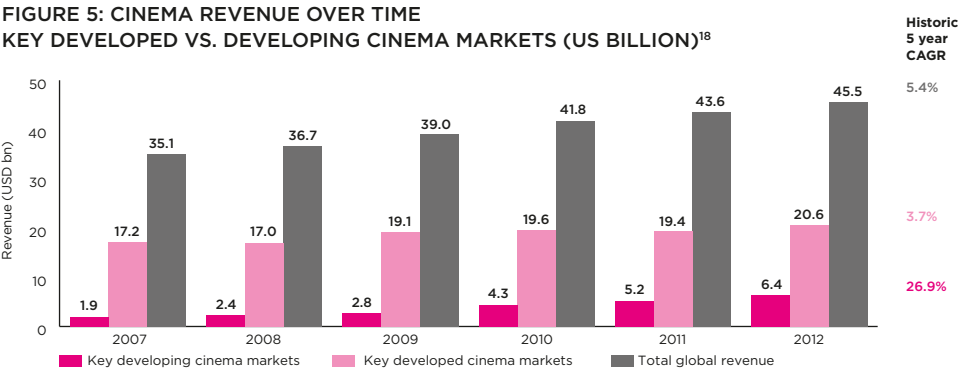


Source: Dodona Research

Cinema exhibition revenue

In 2012, the global cinema industry generated revenue of US\$46 billion, and from 2007 to 2012 its revenue grew at a CAGR of 5.4%. As shown in Figure 5, the growth in global exhibition revenue has primarily been driven by significant revenue growth in the developing cinema markets who have experienced a CAGR of 26.9% in the same period.

FIGURE 5: CINEMA REVENUE OVER TIME  
KEY DEVELOPED VS. DEVELOPING CINEMA MARKETS (US BILLION)<sup>18</sup>



Source: Dodona Research

<sup>17</sup> Key developed cinema markets represent mature markets where there is a high screen-to-population ratio and higher Admissions per capita. These regions include the USA, the UK, Canada, Australia and New Zealand. Key developing cinema markets include regions which have a five year forecast growth rate of 5% or greater (e.g. China, Thailand, the UAE, Romania, Chile and Colombia) and regions that have a lower forecast growth rate however, have a meaningful number of screens (e.g. Russia and Brazil). India has been excluded from this data set given a majority of the screens are owned by independent cinema operators. It should be noted that total global screens data shown above only includes regions where Dodona Research has been able to collect data.

<sup>18</sup> Total global revenue data shown above only includes regions where Dodona Research has been able to collect data.

## DEVELOPED AND DEVELOPING MARKETS

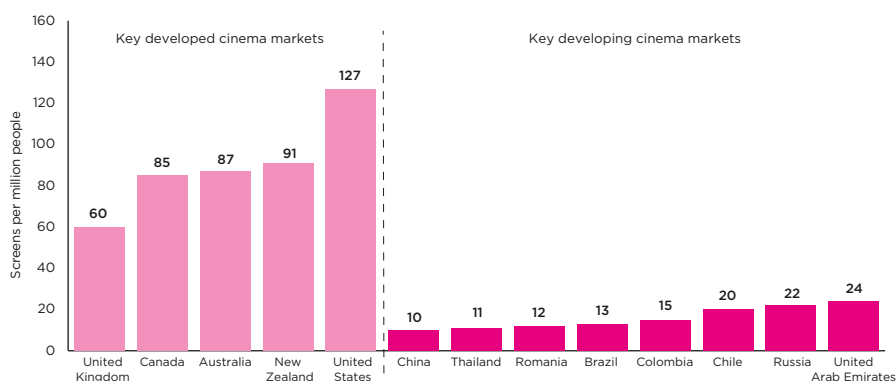
Developed cinema markets are characterised by higher screens and Admissions per capita. These markets also tend to have a higher penetration of multiplex cinemas (multiple cinema screens at one site) and as a result, represent more mature cinema markets with a lower yet stable level of screen and attendance growth.

In contrast, developing cinema markets are typically characterised by a lower screens and Admissions per capita. The penetration of multiplex cinemas

(where multiple screens operate at one site) is lower than in developed markets, with a significant number of smaller operators.

The average number of screens per million people in key developing countries is approximately 16 compared with approximately 90 in key developed economies. This lower penetration rate provides Vista Cinema with an opportunity for growth, with a CAGR from 2007 to 2012 of 19.3% and forecast five-year CAGR of 19%.

**FIGURE 6: SCREENS PER MILLION PEOPLE  
KEY DEVELOPED VS. DEVELOPING CINEMA MARKETS**



Source: Dodona Research



## INDUSTRY OVERVIEW

### Cinema exhibition in developed cinema markets

Developed cinema markets, such as the USA, the UK, Canada, Australia and New Zealand, typically experience stable but slower growth. Although the growth in screens within developed cinema markets has been low (0.5% CAGR see Figure 4) cinema operators have grown revenue at a CAGR of 3.7% (see Figure 5) due to increasing ticket price and patrons' spend on food and beverage.

#### Vista Group operations within developed cinema markets

As cinema exhibitors offer a wider variety of experiences to their customers, there is an increasing need for them to implement high-function Cinema Management Software. As a result, despite developed cinema markets experiencing a lower percentage level of screen and patronage growth, these markets represent growth opportunities for Vista Cinema as more and more operators require higher-quality software to cater for, for example; enhanced food and beverage offerings, mobile sales channels to customers and sophisticated loyalty management software.

In addition, Movio provides exhibitors within these markets with the tools necessary to analyse their customer loyalty data to drive sales. Cinema exhibitors collect a large amount of data about their loyalty customers through day-to-day transactions. Movio empowers exhibitors to identify their most valuable customers and group those with similar behaviours to create relevant marketing initiatives and send them personalised communications. As a result, cinema exhibitors improve customer engagement and retention.

### Cinema exhibition in developing cinema markets

Developing cinema exhibition markets tend to have lower but increasing cinema attendance, often due to growing consumer affluence. The key high growth developing cinema markets include China, Thailand, the UAE, Romania, Russia, Chile, Colombia and Brazil. These countries represent approximately 14% of global revenue today, however are expected to represent a significantly greater proportion of revenue going forward.

These key high growth developing markets generated approximately US\$6.4 billion of revenue through approximately 1 billion Admissions in 2012. The average Admission per capita in these markets is 0.8. This is significantly lower than the average Admission per capita in developed cinema markets of 3.4.

A number of operators within developing markets are focused on converting traditional cinema sites into multiplex cinema sites (multiple cinema screens at one site) as well as building additional multiplex sites. Revenue in the key developing markets outlined above has increased at a CAGR of 26.9% from 2007 to 2012, due to both of these factors.

#### Vista Group operations within developing cinema markets

The Vista Group is well positioned to benefit from the anticipated strong growth in screen numbers in developing economies, as well as the likely increase in market share of multiplex operators and the associated increase in the number of cinema sites and screens in these markets. For example, VES has recently gained its first customer in Russia. In China there are only six accredited cinema systems for use and Vista Cinema and Veezi are the only non-Chinese systems.

As the Vista Group grows and takes advantage of the expansion of multiplex cinemas, the Vista Group businesses can leverage off this growth to drive new customers and expand their geographic footprint.





## COMPETITIVE LANDSCAPE

### Cinema Management Software providers

VES is the largest provider of Cinema Management Software solutions to the cinema exhibition industry with an estimated market share of 37% of the Large Circuit Market. VES believes it has the largest geographic spread of customers among Cinema Management Software suppliers.

VES's key competitors include NCR (Radiant) and Allure Global in the USA, Compeso, Admit One and ticket international in Europe, and Showbizz in India.

Vista Cinema also competes with in-house written software. VES has added a number of customers in recent years who have abandoned their strategy of developing their own software. The main reason for this is the difficulty of staying abreast of technology and the rapidly changing nature of the industry.

Veezi's key competitors are many small companies operating in just one country.

### Movio competitors

Movio is the only marketing analytics and campaign management provider to offer a focussed solution to the cinema exhibition and distribution markets that integrate into the cinema exhibitors' software, and deliver unique return on investment reporting, demonstrating exactly what type of marketing is working for different segments of customers.

There are a number of companies who provide general data analytics and campaign monitoring solutions, but Movio believes that none are direct competitors in terms of providing a marketing analytics and campaign management solution that integrates directly with cinema exhibitors' point of sale software.

### MACCS competitors

Management believes that MACCS is the largest provider outside the USA of Film Distribution Software. Within the USA, Hollywood Software (a division of Cinedigm Corp (CIDM-G)) is a competitor. Like Vista Cinema, MACCS faces some competition from in-house systems, for example Spiritworld, developed by Sony Corp.

### Numero competitors

Numero is entering a market serviced by a single supplier – Rentrak Corporation (RENT:NASDAQ). It is the single supplier nature of the existing market that is creating demand for an alternative supplier.

## NOTICE OF DISPUTE

On 25 June 2014 the Vista Group received a letter from a significant customer expressing a desire to initiate formal dispute resolution proceedings in relation to contracted services. On the basis of the information received by the Vista Group to-date, and legal advice obtained in respect of that information, the Vista Group estimates that its exposure (if any) in relation to the matters raised by the customer is between \$0 and \$1.5 million. The Vista Group believes that it is in a strong position to rebut a claim, if one is made.







**VISTA ENTERTAINMENT  
SOLUTIONS PROVIDES A SOLID  
PLATFORM FOR THE GROUP'S  
CONTINUED GROWTH AND EXPANSION  
ACROSS THE FILM INDUSTRY**

**THE VISTA GROUP IS A GLOBAL LEADER IN FILM INDUSTRY SOFTWARE SOLUTIONS. BUILDING ON THE LEADING POSITION OF VISTA CINEMA WITHIN THE FILM EXHIBITION (I.E. CINEMA) INDUSTRY, THE VISTA GROUP NOW OFFERS SOLUTIONS ACROSS THE WIDER FILM INDUSTRY.**

The Group has over 250 staff across offices in New Zealand (headquarters), the USA, the UK, the Netherlands, Australia and China. Its Vista Cinema software is installed in more than 60 countries around the world including the USA, Canada, Mexico, the UK, India, China, Australia and New Zealand. Management estimates that over 1 billion cinema tickets are processed every year through Vista Cinema.

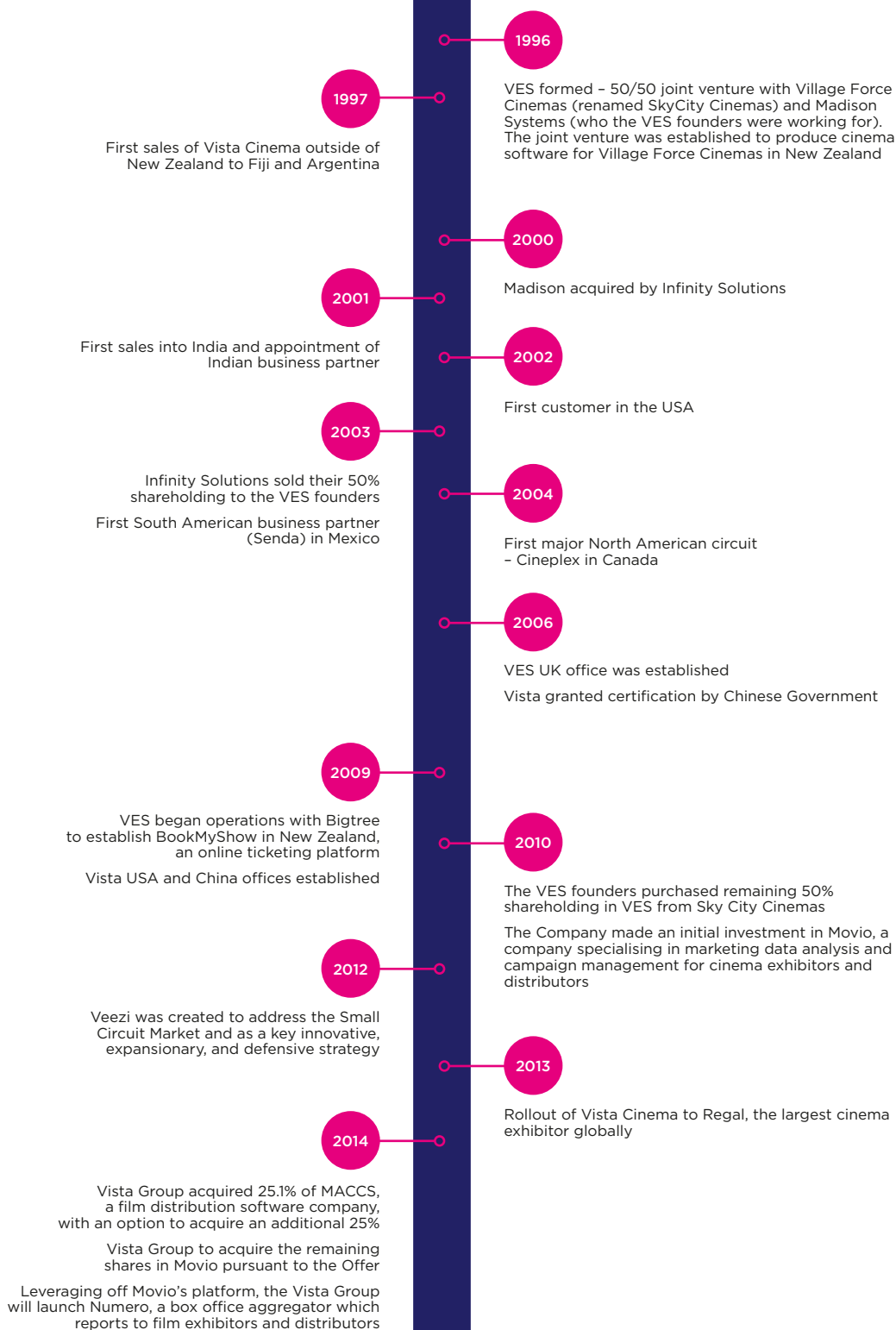
## 4.1 EVOLUTION OF THE VISTA GROUP

Vista Cinema started out in 1996 as a custom software development for Village Force Cinemas and the Vista Group has now developed into a global business which creates highly sophisticated software across the film industry.

Each of the Vista Group businesses provide high-quality software and have individual growth potential across the film industry (see Figure 2 in *Section 3: Industry Overview*). To build on this, each of the Group businesses has the opportunity to leverage VES's global breadth of customers, distributors and scale to create further growth.



## The Vista Group story



## 4.2 VISTA GROUP BUSINESSES

The Vista Group has a portfolio of six businesses that provide software solutions to the film industry. The Group derives its revenue from licencing of software, maintenance fees, monthly subscription fees and services.



VES is the leading supplier of cinema software in the world. Its main products comprise Vista Cinema and Veezi.

Vista Cinema is the leading cinema software in the world, with software installed in over 3,000 sites in more than 60 countries. Vista Cinema is used by a range of cinema exhibitors. It is designed for the Large Circuit Market, but can cater for single screen operators up to the world's largest cinema circuits with hundreds of sites and thousands of screens.

Vista Cinema is a true enterprise-wide cinema management system for exhibitors. Vista Cinema offers a comprehensive and integrated suite of over 20 modules that deliver a total solution to optimise cinema management:

1. **Cinema operations** – such as ticket sales, food and beverage sales, staff management and cash management interfaces, to projection and air conditioning systems, and mobile platforms for cinema managers.
2. **Head office management** – control of circuit pricing, access to all cinemas statistics and reports, executive information systems, finance, loyalty programmes, vouchers and gift cards, film programming and royalty.
3. **Customer sales channels** – point of sale, Internet ticketing, smartphone ticketing, call centre operations, corporate sales, automated telephone ticketing and in-cinema automated ticket machines.

VES also offers customised software development services to its customers to ensure Vista Cinema meets their needs.

Vista Cinema currently has a worldwide market share of 37% in the Large Circuit Market. In Canada, Mexico and Australasia, Vista Cinema's market share exceeds 80%. This highlights the potential for the software in other markets such as the USA, where Vista Cinema only has 37% market share (grown from 2% in 2009)<sup>19</sup> but which accounts for approximately 40% of box office spending worldwide. Developing markets also provide an opportunity as the number of cinemas and cinema-goers increase.

The number of installed Vista Cinema sites worldwide has increased by around 150% over the last 4 years to almost 3,000 in 2013 and is projected to increase to 4,400 by the end of the forecast period.



Only recently launched by VES, Veezi is a new, cloud-based SaaS solution which eliminates the need to invest in expensive servers and infrastructure.

Veezi provides similar software to Vista Cinema, targeting the Small Circuit Market.

Veezi provides smaller, independent cinema operators with point of sale software for ticketing and food and beverage sales, theatre management, cinema reporting and online ticketing services. An initial 50 cinemas in 9 countries have subscribed to Veezi.

Management estimates that the total market for Veezi is in excess of 20,000 sites.

<sup>19</sup> Market share calculated based on number of contracted sites in the Large Circuit Market.



The Vista Group also have a joint venture with Bigtree Entertainment, Vista Group's business partner in India, called BookMyShow. BookMyShow currently provides movie information and online ticketing solutions for the Small Circuit Market in New Zealand. For the avoidance of doubt, the Vista Group does not have an interest in BookMyShow India.

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Management understands that MACCS is the largest provider, outside the USA, of Film Distribution Software for the film distribution industry.

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MACCS software manages core financial, logistical, administrative and decision making processes for film distributors within the film industry, covering all aspects of the film distribution life cycle, including:

1. content (rights and royalties) management;
2. management of the theatrical film distribution process; and
3. management of the non-theatrical (e.g. home entertainment) film distribution process.

MACCS has customers in over 35 countries and has a customer list that includes the likes of Warner Bros International, Paramount Pictures International, Roadshow Film Distributors as well as many leading film distributors in Europe.

MACCS has yet to penetrate the USA, the largest distribution market. This presents a significant opportunity for growth, which will be assisted by the existing Vista Group network.



**Numero is scheduled to launch in the second half of 2014. It will provide an aggregated box office reporting platform, providing the film industry and media vital information in a clean, fast and effective manner.**

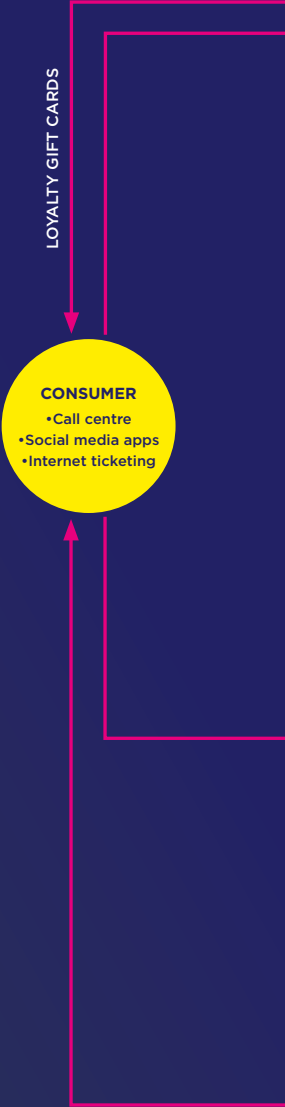
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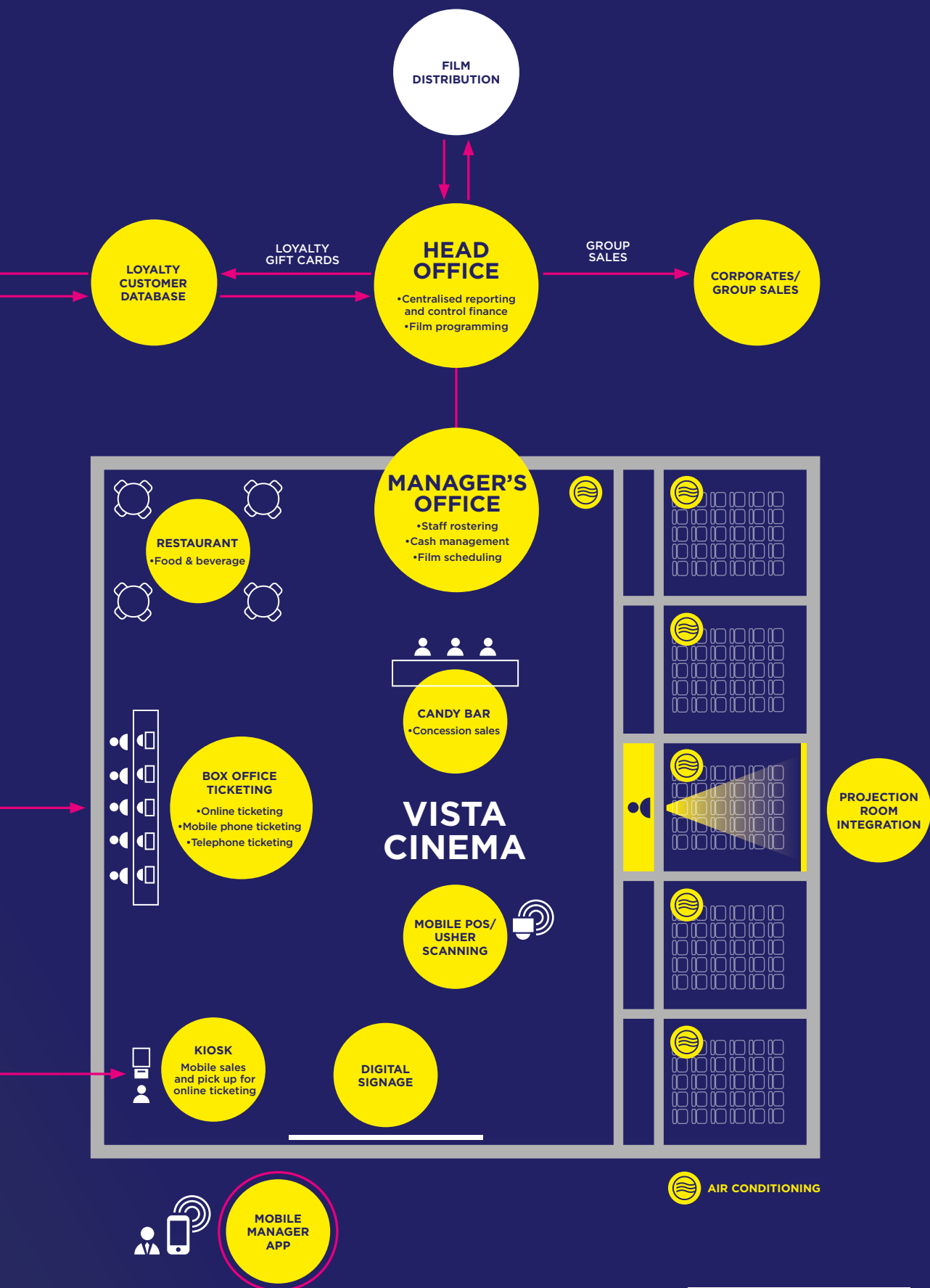
This new business opportunity will build off Vista Group's global scale and relationships. Numero will extract data from cinema exhibitor point of sale software, including Vista Cinema and Veezi. Numero will sell access to this data to film studios and distributors.

# HOW VISTA SOFTWARE OPERATES.

THE GROUP’S VISTA CINEMA SOFTWARE IS INSTALLED IN MORE THAN 60 COUNTRIES AROUND THE WORLD WITH SIX BUSINESSES AND OVER 200 STAFF ACROSS OFFICES IN AUCKLAND (HEADQUARTERS), LOS ANGELES, LONDON AND SHANGHAI.

FIGURE 7: VISTA CINEMA SOFTWARE







Movio empowers cinema exhibitors and distributors to identify their most valuable customers and group those with similar behaviours to create relevant marketing initiatives and send them personalised communications, with its marketing analytics and campaign management solutions.

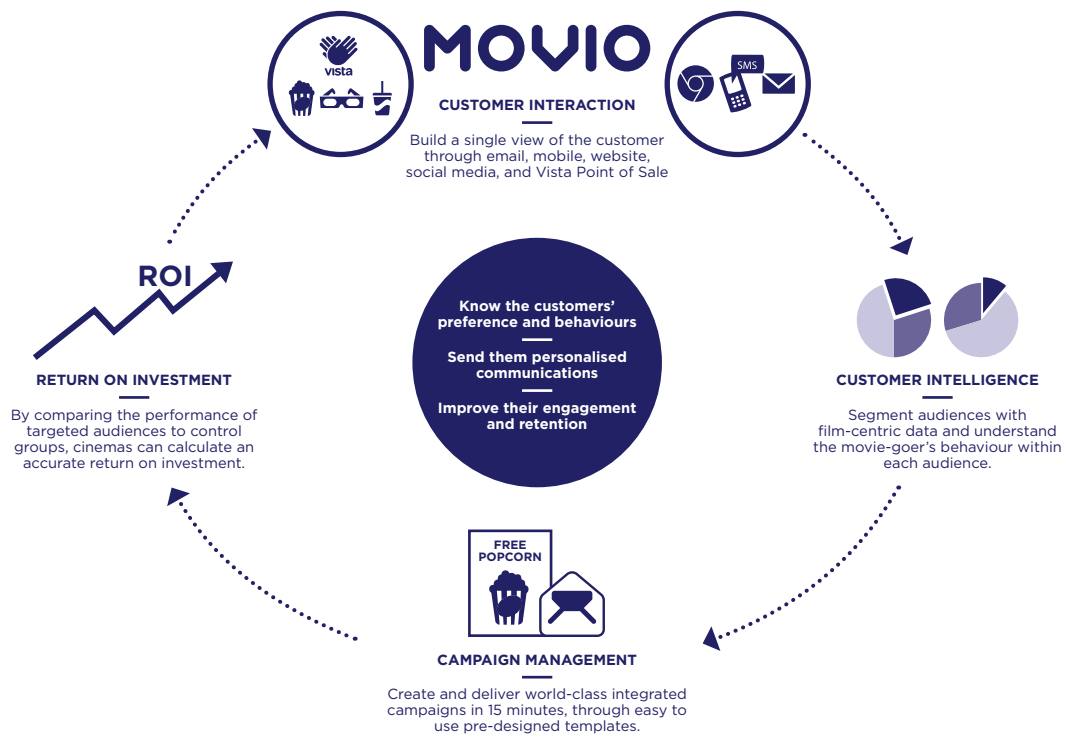
A feature of Movio’s SaaS based software is that it allows users to measure the effectiveness of a campaign, including in dollar terms, through integration with the various sales channels at the cinema.

Movio is the only fully integrated film focused customer intelligence and campaign management solution that integrates with cinema exhibitors’ software. Movio currently has extensive data on more than 26 million customer profiles, over 1,000 theatres, and over 1,000 films, across six countries. Movio has the ability to pull information from a number of sources: cinema exhibitors’ loyalty member databases, Vista Cinema, Veezi or other point of sale software, email, website, mobile, and soon social media platforms.

In the past 12 months, Movio has grown from seven to 27 staff, and increased its global revenue by 211%, with a strong pipeline of customers due to be implemented this year. Movio counts the leading cinemas (by box office revenue) as customers in most covered territories: Regal Entertainment in the USA, Cineplex Entertainment in Canada, Cinepolis in Mexico, and Event in Australia and New Zealand.

Movio’s vision is to change the way the film industry interacts with viewers by providing a greater understanding of what drives consumer behaviour, and communicating through their preferred channels.

FIGURE 8: MOVIO DATA CAPTURE





#### 4.2.1 Support from a Global Partner Network

Vista Entertainment Solutions has a global distribution network with offices and business partners in 11 countries. This structure enables VES to provide a high level of customer service, from almost every corner of the world. VES's business partners receive a margin from the software licence and ongoing maintenance fees, which is approximately 40%.

Movio also utilises this network to support its growth and provide services to its growing base of customers.

MACCS provides support to its customers through its presence in the Netherlands (headquarters), Germany and Australia. Going forward, MACCS will leverage off the Vista Entertainment Solutions' network as it expands further into the USA and South America, and consolidate offices with VES where appropriate.

FIGURE 9: VES GLOBAL OFFICES AND BUSINESS PARTNERS



#### 4.2.2 People & Culture

The Vista Group believes that it is distinguished by having advanced products coupled with exceptional customer service. All Vista Group employees are dedicated to the provision of great service and are passionate about what they do. Across the Vista Group, staff turnover is particularly low, with most years only having less than 5% turnover.

Many staff have been with the Vista Group in excess of 10 years. In an intellectual property business, this provides value in the research and development processes, and in customer service.

The Vista Group has doubled its staff numbers since 2010 and is forecast to increase to more than 350 staff by the end of 2015.

## 4.3 REVENUE MODEL

The Vista Group generates revenue from:

- licencing of software products;
- maintenance fees;
- monthly subscription fees; and
- implementation and other services.

The majority of revenue is currently derived from Vista Cinema's license fee and ongoing maintenance fees.

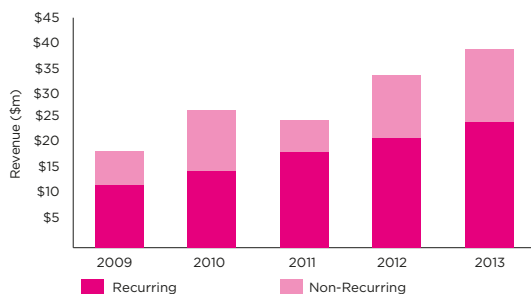
Vista Group business	Upfront revenue	Ongoing & Recurring Revenue
Vista Cinema	Licence fees	Annual maintenance fees
	Implementation fees	Consulting and training services and software development
Veezi		Monthly subscription fees
		Web ticketing charges
MACCS	Licence fees	Annual maintenance fees
		Usage fees for certain products
Movio		Annual licence fees
		Monthly activity charges
Numero		Annual subscription fees
BookMyShow		Web ticketing booking fees

Recurring Revenue comprised approximately 64% of total Group revenue in FY13 which is forecast to grow to over 75% in FY15F, driven by:

- an increasing number of installed customers and hence annual maintenance revenue;
- an increasing number of Veezi, MACCS and Movio customers paying primarily annual Recurring Revenue; and
- increasing sales of ancillary services for Vista Cinema customers such as consultancy and training.



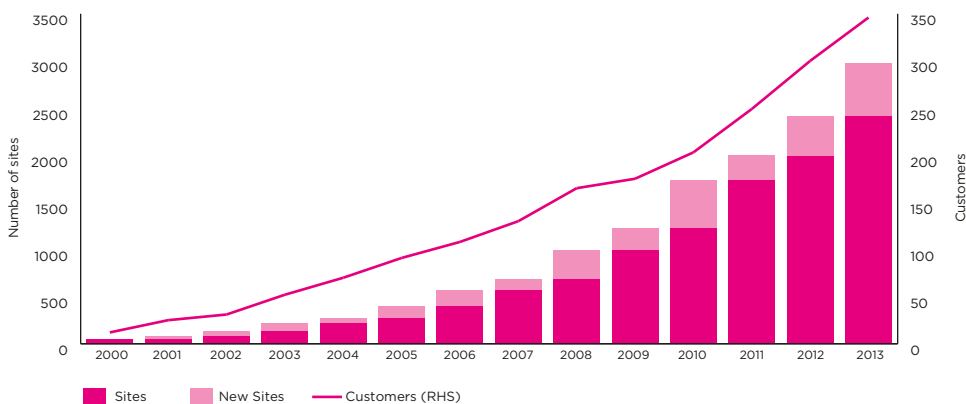
**FIGURE 10: VISTA GROUP RECURRING REVENUE VERSUS NON-RECURRING REVENUE FY09-FY13**



A driver of licence fee revenue is the number of new sites which operate Vista Cinema.

The graph below shows there has been significant growth in the number of contracted sites for Vista Cinema, 200% since 2008. Growth in site numbers is expected to continue through the forecast period by a further 50% (as discussed in *Section 4.5: Growth Strategies*).

**FIGURE 11: NUMBER OF VISTA CINEMA SITES (SITES INSTALLED)**



## 4.4 GLOBAL OPERATIONS AND OPPORTUNITY

The Vista Group operates around the world in more than 60 countries with over 400 customers. Since beginning in 1996, VES has steadily added new countries and customers, progressively growing up-front licence fees and annually recurring software maintenance fees. Vista Cinema has a low customer churn rate.

The cinema industry is constantly expanding, with the number of screens worldwide increasing 12% over the last 4 years to 127,000 (total screens for Large and Small Circuit Markets). It is anticipated that developing countries will have higher growth rates than developed countries going forward given the lack of penetration currently (as discussed in *Section 3: Industry Overview*).

Vista Entertainment Solutions is well positioned to benefit from the anticipated strong growth in screen numbers in developing economies over the next 10 years. In these markets, the move to large multiplex cinemas will also create increased demand for Vista Cinema.

As VES grows and takes advantage of the expansion of multiplex cinemas, the other Vista Group

businesses can also build on this growth to drive new customers and expand their geographic footprint.

Movio operates in 6 countries around the world, being New Zealand, Australia, the USA, Canada, Mexico and Vietnam. Over the past two years, Movio has signed and implemented the leading cinema exhibitor (by box office revenue) in all six countries, including Regal Cinemas, the world's largest cinema circuit.<sup>20</sup>

Movio has been able to accelerate its growth over the past two years through leveraging the global customer and distribution network of VES. In late 2013, Movio signed a partnership deal with NCR (Radiant), a USA-based provider of cinema point of sale software, to supply Movio software to NCR's customer base. This deal has already resulted in the signing of two leading USA cinema circuits.

Through Movio's strategic partnerships with Vista Cinema and NCR, the increase of their global footprint, and the extension of the Movio offering to film studios and distributors, Movio is projecting revenue growth from \$5.1 million in 2014 to \$9.1 million in 2015.

REGION	MARKET SHARE	SELECTED CUSTOMERS
USA	11,118/30,050 screens – 37%	Regal, Harkins Theatres, Arclight, Sundance, Bow Tie, B&B, Georgia Theatre Company, Goodrich, Wehrenberg, Alamo Drafthouse
Europe	4,076/16,865 screens – 24%	Vue (UK), Cineworld (UK), Mars (Turkey), Kinopolis (Belgium, France, Spain), Cinestar (Germany), Yelmo (Spain), Karo Film (Russia)
Asia	3,005/13,456 screens – 22%	Major Cineplex (Thailand), PVR (India), Lumiere (China), Grand Cinemas (UAE)
Central America	4,995/5,108 screens – 98%	Cinopolis (Mexico), Cinemex (Mexico), Cinemark (Central America)
South America	877/4,713 screens – 19%	Village SA (Argentina), Cine Hoyts (Chile), Cines Unidos (Venezuela), Cinemark (South America)
Canada	2,067/2,323 screens – 89%	Cineplex Entertainment, Landmark Canada
Africa	973/2,172 screens – 45%	Nu Metro (South Africa), Silver Bird (Nigeria)
Australasia	1,380/1,636 screens – 84%	Hoyts, Event, Village
Worldwide	28,491/76,323 screens – 37%	

Note that the above market share data only includes the Large Circuit Market. Market size data is sourced from Dodona 2013.

<sup>20</sup> As measured by box office revenue.

## 4.5 GROWTH STRATEGIES

The Vista Group has identified three key areas from which it will seek to continue its track record of growth.

### 4.5.1 Growth in Existing Business

#### Vista Cinema

- Expansion of market share in current markets such as the USA, China, India and Thailand.
- Expansion into new markets where VES does not presently have customers such as Holland and Italy.
- Expansion into developing markets such as Russia, Brazil, Indonesia and a number of Eastern European markets. VES recently gained its first customer in Russia.

#### Veezi

- Expansion into the USA will be an initial primary focus given its size and scale of approximately 3,000 independent cinema exhibitors, as estimated by management. There is a significant opportunity to build market share in this large, fragmented market.
- There are presently inefficiencies in the industry with small independent cinemas communicating box office numbers to distributors and industry aggregators of Box Office data. This causes the distributors to incur additional costs in collecting data from these small cinemas. Since Veezi removes much of this inefficiency, it is possible that the film distributors may pay a fee to receive this information electronically.
- The newly created partnership with Fandango should provide additional demand for Veezi. Fandango is a provider of web ticketing for cinemas in the USA and is by far the most widely used cinema web ticketing platform in the USA. Previously smaller independent cinemas could not access Fandango's services. Now with the partnership between Fandango and Veezi, by signing up to Veezi, cinemas can access the Fandango ticketing services.

#### MACCS

- MACCS has a global footprint but has historically focused on Europe. MACCS is in the process of establishing an office in Los Angeles and will allocate resources to focus on the USA as a significant growth opportunity.
- MACCS also plans to expand through new products such as DCinemaHub, which manages digital keys and eliminates manual processing in order to streamline the digital film distribution process, as well as developing a SaaS version of the MACCS product that will appeal to smaller operators on a global basis.

#### Movio

- Movio's growth and main focus is on the USA, the epicentre of the film industry, where it has an established office and secured a number of key contracts. Movio will have a dual focus, both on cinema exhibitors as well as film studios and distributors, who spend billions of dollars a year on marketing their films.
- Further significant opportunities exist for Movio to accelerate growth into the UK, Europe, South America and Asia.

#### Numero

- Numero is scheduled to launch in Australia and New Zealand in the second half of 2014, and intends to expand internationally from 2015 onwards.

### 4.5.2 Opportunities in New Markets or Sectors

#### Expansion of Vista software into adjacent industries

A number of Vista Cinema customers also operate food and beverage businesses. Some of these customers have chosen to use Vista Cinema as the software solution. As an enterprise management system, Vista Cinema has the potential to fulfil similar roles in a wide variety of sectors and industries. Whilst not a current focus, the Vista Group could look to expand Vista Cinema in to adjacent industries, although this would likely require an acquisition to secure industry credibility, scale and talent.

#### Expansion of Movio

Movio's technology may have applications in other industries with large customer databases and loyalty programmes, for example retail, lotteries, food and beverage, and airlines. Whilst not an immediate focus, Movio is aware of the potential for expanding or licensing the software into other industries.

### 4.5.3 Acquisitions

The Vista Group is always looking to invest in, or acquire, businesses or products that add value to the Group, and that can utilise VES's established distribution network and credibility in the film industry.

# BOARD, MANAGEMENT AND GOVERNANCE

## Vista Group Directors

### 1. Kirk Senior Chairman

BBUS (SWINBURNE)

Kirk brings a strong international film industry background acquired from 18 years with the Village Roadshow Limited Group. Kirk was formerly CEO (and prior to that, CFO) of Village Cinemas, one of the world’s leading cinema companies. Kirk was also a director of Village Cinemas and many of its subsidiaries and joint ventures throughout the world. Prior to Village Cinemas, Kirk was a chartered accountant with Ernst & Young in Australia and the UK. Kirk also advises and provides consulting services to other companies in the film and entertainment industries.

### 2. Murray Holdaway Executive Director

BSC (MATHEMATICS AND COMPUTER SCIENCE)  
AND BCOM (ACCOUNTING) (UNIVERSITY OF AUCKLAND)

Murray is the co-founder and Chief Executive of the Vista Group. Murray has been the product visionary for Vista Entertainment Solutions over the past 15 years.

Prior to running the Vista Group Murray was a founding shareholder and Chief Executive of Madison Systems Ltd (which was a joint venture partner in Vista Entertainment Solutions when it formed in 1996). From its beginnings in 1988 Madison became one of the largest IBM re-sellers in New Zealand. Madison was involved in two separate cinema system developments before the Vista Cinema product was created. Madison was sold to Infinity in 2001 and it was at this time that Murray transferred full time to work on Vista Cinema. Murray is also a director of Postie Plus Group Limited, which is currently in voluntary administration at the election of the board.

### 3. Brian Cadzow Executive Director

BCOM (ACCOUNTING AND INFORMATION SYSTEMS)  
(OTAGO), CA

Brian is the Finance Director and one of the co-founders of the Vista Group. Brian has had a long career in finance positions in the Industrial, Media, Transport and Technology sectors for both listed (up to 2000) and private companies. Brian operated his own consulting business for 10 years (with the Vista Group as a major client) until joining the Vista Group as a full time employee in his current role in 2008.

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#### **4. Susan Peterson Independent Director**

BCOM AND LLB (OTAGO)

Susan has a strong financial and governance background gained from a long history with the ANZ where she was General Counsel and Company Secretary before moving on to other business leadership roles, including General Manager of Wealth Business and Performance encompassing private banking, insurance and funds management. Susan was also a director on many of ANZ's New Zealand subsidiary company boards.

Susan is currently an Independent Director of Wynyard Group Limited and The New Zealand Merino Company Limited. Susan also chairs the Audit and Risk Committees for these companies.

Susan is a Tribunal Member of the NZ Markets Disciplinary Tribunal and a Ministerial Appointee to The National Advisory Council for the Employment of Women. Susan is also on the Board of IHC and on the Strategic Advisory Board of the New Zealand Heart Foundation.

#### **5. James Ogden Independent Director**

BCA (HONS) (ACCOUNTING) (WELLINGTON), FCA, FINST D

James brings strong financial expertise to the Board and director experience across a broad range of industries. He has had a distinguished career as an investment banker for eleven years, six years as Country Manager for Macquarie Bank and five years as a director of Credit Suisse First Boston. James has also worked in the New Zealand dairy industry in chief executive and finance roles for eight years. James is also a director of The Warehouse Group, Summerset Group Limited, Vehicle Testing Group Limited and Seaworks Limited. Former directorships include NZ Post Limited, Kiwibank Limited, NZX-listed Powerco Limited and Capital Properties New Zealand Limited.

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## Vista Group Executive team

### 1. Murray Holdaway Chief Executive

See Murray's full biography under the heading "Vista Group Directors"

### 2. Brian Cadzow Finance Director

See Brian's full biography under the heading "Vista Group Directors"

### 3. Kimbal Riley Chief Operating Officer

BSC (BIOCHEMISTRY)

Kimbal was appointed the Vista Group's Chief Operating Officer in November 2013.

Kimbal was appointed the Vista Group's Chief Operating Officer in November 2013.

Formerly, he was COO of Orion Health, New Zealand's largest software exporter and one of the world's leading Health IT companies with operations on every continent and customers in over 50 countries. Kimbal was with Orion Health for 7 years, during a period of large growth for the company. Prior to his tenure at Orion Health, Kimbal undertook senior sales and delivery roles in global software and services organisations including CSC, Compaq, EDS, and Nortel.

### 4. Derek Forbes President, VES USA (Los Angeles)

BCOM (MANAGEMENT SCIENCE & INFORMATION SYSTEMS), BSC (COMPUTER SCIENCE), UNIVERSITY OF AUCKLAND

Derek joined the Vista Group in 2000 and was involved in the creation of early versions of Vista Cinema. Subsequently Derek transitioned to software implementation and product management within VES. In 2005, Derek moved to London where he established Vista Entertainment Solutions' UK office. There he built the office to oversee a broad European operation which introduced Vista Cinema to new territories including Spain, Greece and Lithuania. Derek then moved to Los Angeles in 2009 to establish and lead VES's USA office. In the 4½ years since, VES has grown its cinema exhibition market share from <1% to 37%, and the team has grown to 38.



#### **5. Mischa Kay**

**Managing Director, VES EMEA (London)**

BSC, (COMPUTER SCIENCE, INFORMATION SYSTEMS),  
UNIVERSITY OF AUCKLAND

Mischa has worked in both the VES Auckland and London offices and has progressed through the ranks from a student consultant in 2006 to becoming Managing Director for the EMEA region in 2014. He has deep international experience in both the services and project teams, and the Group's different offices. His broad experience with customers and partners across the EMEA region has made him an invaluable asset to the EMEA office.

#### **6. Wendy Huang**

**Regional Manager – Asia (Shanghai)**

ME (SOFTWARE ENGINEERING), UNIVERSITY OF AUCKLAND

Wendy joined the Vista Group as a university graduate in 2007 and completed her Masters-level education in 2011 after part-time study. After several years in China, Wendy was recently promoted to Regional Manager of VES's Shanghai-based Asia office taking up the role in 2014. Prior, Wendy worked in VES's Services Consulting team in Auckland for seven years. During this time, she worked with customers in various regions of the world implementing Vista Cinema. Wendy's cinema industry knowledge and experience is extensive and she has a dedicated team of eight helping her develop Vista Entertainment Solutions Asia-region business.

#### **7. William Palmer**

**Movio Chief Executive**

**William is the Chief Executive of Movio and co-founder**

Prior to Movio, William established and subsequently sold a number of successful start ups, including HRV, Connectnow and Warmo. William is highly experienced in business management, particularly during high growth phases, having nurtured businesses from conception to profitability on a number of occasions.

William's primary skill is business development and is responsible for the sales function within Movio. His approach is particularly hands on and has successfully established Movio in six markets since inception.

#### **8. Bert Huls**

**MACCS Chief Executive**

ME (ELECTRICAL ENGINEERING), DELFT UNIVERSITY OF  
TECHNOLOGY (THE NETHERLANDS)

Bert is the Chief Executive and co-founder of MACCS, which provides software to over 100 film distributors in more than 36 territories. Prior to MACCS, Bert was involved in a number of start-ups within the IT industry including; a distributor of ticket printers, stock market information systems and IT distribution (resale of hardware and software).

## 5.1.3 Directors and senior managers' interests in Shares

Director/Senior Manager	Shareholder(s)	Total interest prior to the Offer (Shares)	Shares sold pursuant to the Offer	Total interest after the Offer
Kirk Senior	Kirk Senior Pty Limited	2,975,550	1,130,709	1,844,841
Murray Holdaway	Murray Lawrence Holdaway, Helen Rachel Geary and Stephen John McDonald	15,086,875	5,733,013	9,353,862
Brian Cadzow	Brian John Cadzow, Julie Ann Cadzow and Peter Allen Lewis	10,456,250	3,973,375	6,482,875
Kimbal Riley	Kimbal Harrison Riley and Wendy Anne Thorpe	59,750	22,705	37,045
Derek Forbes	Bruce Alan Forbes and Derek Geoffrey Forbes	2,987,500	896,250	2,091,250
Mischa Kay	Mischa Alexander Kay	29,875	Nil	29,875
Wendy Huang	Jungwen Huang	23,900	7,170	16,730
William Palmer	ETCO Limited	Nil	Nil	1,293,889–
	WASPP Corporation Limited			1,663,572 <sup>21</sup>

The executives and senior managers listed in the table above have all agreed with the Company that any Shares they do not sell under the Offer, and any Shares purchased under the Vista Group Employee Offer, will be subject to escrow arrangements which will restrict their sale or disposal until the first day after the Vista Group's preliminary announcement has been released to the market in respect of its financial results for the year ending 31 December 2015. Further information on these escrow arrangements is available under the heading "Escrow Arrangements" in *Section 8: Offer Details*.

The independent Directors have indicated an intention to acquire Shares under the Offer. Any Shares acquired by the Independent Directors will be subject to the same escrow arrangements referred to above and in *Section 8: Offer Details*.



<sup>21</sup> William Palmer will acquire an interest in these Shares pursuant to the Company's acquisition of Virtual Concepts (Movio). Further information on the acquisition of Virtual Concepts is available under the heading "12: Acquisition of a Business or Subsidiary" in *Section 10: Statutory Information* of the Prospectus.

## WHAT ARE MY RISKS?

Your Shares will be fully paid and you will not have liability to make any further payments for them. However, you may not be able to get back any or all of your investment and you may not receive the returns you expect. This could be because you are unable to sell your Shares for the price you paid for them (or at all) or because the dividends paid on your Shares are less than you expect.

The principal risks that may have an impact on our business or financial results, and which could reduce or eliminate the value of your Shares or the returns on them are set out below. A full description of the risks that may have an impact on your investment is set out in *Section 6: What are my Risks?* in the Prospectus.

### Key Personnel Retention Risk

We rely on the service and performance of our senior management team, including our executive team as outlined in *Section 5.1: Board and Management*, as well as key technical and sales personnel. If these employees were to leave, replacing them could involve significant time and cost, and may inhibit us from achieving our business objectives.

In addition, if we are not able to attract and retain qualified and talented people to execute our growth strategy, our operating results may be adversely affected.

### Competition Risk

The current and prospective market for our software products and services is competitive, as outlined in *Section 3.1.3: Competitive Landscape*. Some of our current and potential competitors have significantly greater resources in certain markets that we either operate or intend to operate in. These factors may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market requirements. Our competitors may develop products, features or services that are similar to ours or that achieve greater market acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies.

### Key Customer Risk

We derive a significant portion of our revenue from large exhibitors or cinema circuits. Contractually, many of these customers are able to terminate their agreements at will. If one or more of these larger customers terminated or did not renew its contract, our performance may be impacted. In 2013, the top five customers contributed approximately 20% of total revenue.

### Motion Picture Industry Risk

Our ability to operate successfully depends upon the availability, diversity and appeal of motion pictures, the success of motion picture exhibitors

and the cinema experience of the public generally. Poor performance of, or any disruption in the production of, motion pictures (including by a reason of a strike or lack of adequate financing) or a reduction of public attendance at cinemas, could adversely impact our business.

### Technology Vulnerability Risk

Our products incorporate software that is highly technical and complex. Our software has contained, and may now or in the future contain, undetected errors, bugs or vulnerabilities. Some errors in our software code may only be discovered after the code has been released. Any errors, bugs or vulnerabilities discovered in our code after release could result in damage to our reputation, loss of users, loss of revenue, or liability for damages, any of which could adversely affect our business and financial results.

### Foreign Exchange Risk

Our exposure to foreign exchange markets gives rise to risks. We derive our revenue in a number of different countries and, accordingly, in a number of different currencies. Fluctuations in exchange rates may have a direct impact on our earnings. Although there are hedging strategies in place, extreme volatility in foreign exchange markets could undermine the effectiveness of the hedging strategy, which could impact profitability. The three main currencies (USD, GBP and EUR) comprised approximately 85% of revenue in 2013.

### Acquisition Risk

We review potential acquisitions of complementary businesses from time to time and may undertake such acquisitions in the future. All acquisitions face the risk that returns on investment will fall short of expectations. Estimates of fair value made in considering an acquisition are based on assumptions believed to be reasonable, but which are inherently uncertain. Where an acquired business fails to perform as expected, a number of material changes can eventuate that adversely affect operating results including, for example, impairment of goodwill. Further, acquisitions can involve a significant amount of management time and reduce the management team's ability to respond to other challenges and opportunities. Between them, these impacts may be material.

### Obsolescence Risk

We are continually updating our existing products and continuing to develop new products. If we are not able to provide enhancements and new features for our existing products or new products that achieve market acceptance or that keep pace with rapid technological developments, our business could be adversely affected. This has the potential to impair our revenue growth.

## OPERATIONAL AND FINANCIAL INFORMATION

This section provides an overview of financial information. Certain information included in this section (including EBIT, EBITA, EBITDA, NPATA and Pro Forma Financial Information) is non-GAAP financial information. You can find an explanation of why the Vista Group uses these measures and an explanation of the Pro Forma adjustments later in the section. Audited financial statements for FY13 are set out in *Section 7.5: Historical Financial Information* of the Prospectus along with summary financial statements for the Vista Group for FY09 to FY13. The historical FY13 financial information has been extracted from the Vista Group's consolidated financial statements. An unqualified audit opinion dated 1 April 2014 was received for these financial statements.

All financial information in this section is presented in NZD (unless otherwise stated) and rounded to the nearest thousand dollars.

The Vista Group comprises the following companies:

THE VISTA GROUP	
Vista Group Companies	Shareholding post IPO
- Vista Entertainment Solutions Limited (VES)	100%
- BookMyShow Limited	74%
- Virtual Concepts Limited (Movio)	100% <sup>22</sup>
- MACCS International B.V.	50.1% <sup>23</sup>
- Numero Limited	50% <sup>24</sup>

The MACCS International BV financial statements included in this Investment Statement and the Prospectus have been prepared in accordance with NZ IFRS but are not audited.

The following table illustrates the differing basis used in the preparation of the statutory and Pro Forma financial information presented in this section:

OPERATIONAL AND FINANCIAL INFORMATION		
Pro Forma FY11 – FY14F	Statutory FY14F	Statutory FY15F
- VES 100%	- VES 100%	- VES 100%
- BookMyShow 100%	- BookMyShow 74%	- BookMyShow 74%
- Virtual Concepts 100%	- Virtual Concepts 100%	- Virtual Concepts 100%
- MACCS 50.1% (Consolidated)	- MACCS 50.1% (Consolidated) acquired on 1 September 2014 (previously held 57% and equity accounted)	- MACCS 50.1% (Consolidated)
- Numero 100% FY11 – FY13 (Consolidated) commenced operations in September 2013	- MACCS 50.1% (Consolidated) 25% acquired on 2 April 2014 and option for 25.1% exercised 1 September 2014	- Numero 50% (equity accounted) <sup>24</sup>
- Numero 50% FY14F (equity accounted) <sup>24</sup>	- Numero 50% (equity accounted) <sup>24</sup>	

<sup>22</sup> The Company has signed agreements with the other shareholders of Virtual Concepts to acquire the remaining 42.99% of the share capital of Virtual Concepts post the Offer. Further information on the acquisition of Movio is available under the heading "12: Acquisition of a Business or Subsidiary" in *Section 10: Statutory Information* of the Prospectus.

<sup>23</sup> MACCS shareholding of 50.1% includes an option to acquire 25%. The Company intends to exercise this option as at 1 September 2014.

The Vista Group has prepared PFI for FY14F and FY15F in accordance with FRS-42 Prospective Financial Statements for inclusion in the Prospectus and the *Appendix*. The PFI provided in this section has been extracted from this information. The PFI is forward looking and based on certain assumptions and therefore involves risk and uncertainties.

**Actual results could differ from those expressed or implied by such forward looking statements, with factors that could cause such differences including, but not limited to, those discussed in *Section 6: What are my Risks?* of this Investment Statement and the Prospectus. You should read the basis of preparation, assumptions and sensitivities relating to the prospective financial information as detailed in the *Appendix* so that you fully understand the PFI.**

**If you do not understand the information in this section, you should consult a financial advisor.**

<sup>24</sup> As at the date of this Investment Statement, the Company holds all of the shares in Numero. Certain Numero senior managers have been offered (and have accepted subject to agreement of appropriate documents) a 50% stake in Numero. The allotment of these shares is intended to be completed in FY14F. Further information on this transaction is set out under the heading "Sale of shares in Numero" in the *Appendix*.

## 7.1 HOW THE VISTA GROUP MAKES MONEY

The following provides a simplified overview of how the Vista Group makes money as an introduction to assist in reading the detail in the rest of this section.

VES derives revenue from its customers via three main sources:

- 1 Licence fees for Vista Cinema are charged to customers for the initial software implementation for each and every site installation as completed. The licence fee is a matter of negotiation with each customer. Licence fees are invoiced based on the currency applicable to that customer. Veezi licence fees are on a monthly subscription basis.
- 2 Maintenance fees are received by the Vista Group on an annual basis from customers in return for access to the Group's help desk and updated modifications to Vista Cinema.
- 3 Services revenue is charged to existing customers for ongoing consultation, programming and site support work associated with the Vista Cinema product.

BookMyShow generates revenue from commission on cinema ticket sales.

Movio derives revenue from its annual licence fees and service charges, which are based on activity.

MACCS derives its revenue using a similar model to VES – being a one-time licence fee and annual maintenance, plus services.

Número will generate revenue from annual licence fees.

### Main Drivers of the Vista Group's Financial Performance

The following factors can have a significant impact on financial performance and net cashflows, but are not an exhaustive list of all relevant factors. This should be read in conjunction with the Explanations of Trends in Financial Performance later in this section and *Section 6: What are my Risks?* of this Investment Statement and the Prospectus.

### Key customer acquisition and expansion into new markets

The Vista Group's ability to win new customers is a key driver of its initial licence fee revenue and ongoing services and maintenance revenue. VES has an established business with owned offices and business partner offices across 11 countries, and has a platform for continuing growth. The Vista Group has enabled further opportunities for growth following the recent acquisitions of MACCS and its existing relationship with, and after the Allotment Date, full ownership of, Movio. Both MACCS and Movio provide the opportunity for further growth, alongside VES.

For further detail on the Vista Group's growth strategies see *Section 4.5: Growth Strategies*.

### Annual revenues

VES has predictable and recurring fees with existing customers which are either spread over a number of years (usually three) or are determined in conjunction with the specific customer contract. VES has a stable customer base due to the quality of Vista Cinema and Veezi. There are relatively significant barriers faced by customers in switching to alternative products, in terms of functionality, time, cost and risk. The Vista Group takes its customer relationships very seriously to ensure that customer delivery is maintained to the high standard that the Group's customers expect.

### Employee expenditure

The provision and development of the Vista Group's software requires high quality personnel for research and development, implementation and ongoing service. The majority (68% in FY13) of the Vista Group's operating expenses are employee costs. These costs are forecast in line with known requirements to support the Group's revenue growth and are forecast to increase by 42% from FY13 to FY14F. For further information relating to employee costs, please refer to Table 6: Pro Forma Expenses in the *Appendix*.



## OPERATIONAL AND FINANCIAL INFORMATION (CONTINUED)

### 7.2 OVERVIEW OF SELECTED OPERATIONAL AND FINANCIAL INFORMATION

Financial statements for the period ended 31 December 2012 and earlier have been prepared to comply with NZIFRS, as appropriate for profit orientated entities that qualify for and apply differential reporting concessions. The Vista Group has prepared financial statements using all available differential reporting exemptions except for the exemption available in NZ IAS 18: Revenue. From 1 January 2013 the financial statements have been prepared under NZIFRS, although not under the differential reporting framework.

#### Pro Forma Consolidated Statement of Comprehensive Income

The Vista Group has presented the financial information below on a Pro Forma basis. The Vista Group believes this Pro Forma Information more closely reflects the Group's post-Offer business and provides a better basis for investors to assess both historical and prospective financial information.

The Pro Forma adjustments have largely been made to reflect the Vista Group as a whole, incorporating MACCS and Virtual Concepts, as opposed to any normalisation adjustments.

12 MONTHS ENDING 31 DECEMBER (\$000)	FY11 Historical Pro Forma	FY12 Historical Pro Forma	FY13 Historical Pro Forma	FY14F Forecast Pro Forma	FY14F Forecast Statutory	FY15F Forecast Statutory
<b>Operating revenue</b>	<b>25,018</b>	<b>33,727</b>	<b>38,670</b>	<b>49,901</b>	<b>45,244</b>	<b>61,547</b>
<b>Revenue growth</b>	<b>(7%)</b>	<b>35%</b>	<b>15%</b>	<b>29%</b>	<b>-</b>	<b>23%</b>
Less Expenses:						
Sales and Marketing	(1,262)	(1,526)	(2,555)	(2,878)	(2,708)	(3,786)
Operating	(12,423)	(15,925)	(18,087)	(24,604)	(22,045)	(29,163)
Administration	(6,858)	(7,488)	(9,060)	(13,134)	(11,548)	(15,402)
<b>Total expenses</b>	<b>(20,543)</b>	<b>(24,939)</b>	<b>(29,702)</b>	<b>(40,616)</b>	<b>(36,301)</b>	<b>(48,351)</b>
<b>EBITDA before offer Costs</b>	<b>4,475</b>	<b>8,788</b>	<b>8,968</b>	<b>9,285</b>	<b>8,943</b>	<b>13,196</b>
Offer costs	-	-	-	(1,708)	(1,708)	-
<b>EBITDA</b>	<b>4,475</b>	<b>8,788</b>	<b>8,968</b>	<b>7,577</b>	<b>7,235</b>	<b>13,196</b>
Depreciation					(574)	(733)
<b>EBITA</b>					<b>6,661</b>	<b>12,463</b>
Amortisation					(384)	(622)
<b>EBIT</b>					<b>6,277</b>	<b>11,841</b>
Net interest expense					22	587
Share of profit/(loss) from associates					(348)	18
<b>Net profit before tax</b>					<b>5,951</b>	<b>12,446</b>
Taxation expense					(2,204)	(3,309)
<b>Net profit after tax</b>					<b>3,747</b>	<b>9,137</b>
Non-controlling interests					(307)	(1,031)
<b>Net profit after tax (after non-controlling interests)</b>					<b>3,440</b>	<b>8,106</b>



## Summary of non GAAP items

12 MONTHS ENDING 31 DECEMBER (\$000)	FY14F Forecast Statutory	FY15F Forecast Statutory
<b>EBITDA (before Offer costs)</b>	<b>8,943</b>	<b>13,196</b>
Depreciation	(574)	(733)
<b>EBITA (before Offer costs)</b>	<b>8,369</b>	<b>12,463</b>
Non-Controlling Interest	(307)	(1,031)
Net interest income	22	587
Share of profit/(loss) from associates	(348)	18
Taxation expense <sup>25</sup>	(2,312)	(3,483)
<b>NPATA (before Offer costs)<sup>26</sup></b>	<b>5,424</b>	<b>8,554</b>

## Overview of Consolidated Cash Flows<sup>27</sup>

12 MONTHS ENDING 31 DECEMBER (\$000)	FY14F Forecast Statutory	FY15F Forecast Statutory
Net cash flow from operating activities	6,158	13,393
Net cash flow from investing activities	(15,476)	(1,127)
Net cash flow from financing activities	37,980	(834)
Net (decrease) / increase in cash	28,662	11,432
Opening cash balance	3,436	32,098
<b>Closing cash balance</b>	<b>32,098</b>	<b>43,530</b>

## Overview of Consolidated Balance Sheet

AS AT 31 DECEMBER (\$000)	FY14F Forecast Statutory	FY15F Forecast Statutory
Current assets	48,646	63,064
Non-current assets	43,503	43,329
<b>Total Assets</b>	<b>92,149</b>	<b>106,393</b>
Current liabilities	(15,623)	(23,634)
Non-Current liabilities	(11,864)	(9,117)
<b>Total Liabilities</b>	<b>(27,487)</b>	<b>(32,751)</b>
<b>Net Assets</b>	<b>64,662</b>	<b>73,642</b>
Share Capital	45,985	45,985
Retained Earnings	10,411	18,551
<b>Total Equity attributable to equity holder</b>	<b>56,396</b>	<b>64,536</b>
Non-Controlling Interest	8,266	9,106
<b>Total Equity</b>	<b>64,662</b>	<b>73,642</b>

<sup>25</sup> As taxation expense no longer includes a deferred tax benefit on amortisation of intangibles of \$0.1 million and \$0.2 million in FY14F and FY15F respectively, it has increased relatively to the taxation expense reported in the previous table "Pro Forma Consolidated Income Statement".

<sup>26</sup> FY14F NPATA (excluding offer costs) of \$5.4 million can be reconciled to FY14F net profit after tax (after non-controlling interest) of \$3.4 million by subtracting offer costs \$1.7 million, and amortisation \$0.3 million (net of tax). The FY15F adjustments

between NPATA (excluding offer costs) of \$8.6 million and net profit after tax (after non-controlling interest) of \$8.1 million consist of amortisation of intangibles of \$0.6 million and deferred tax benefit on amortised intangibles of \$0.2 million.

<sup>27</sup> Prior to 31 December 2013, the Vista Group was not required to prepare or disclose a Consolidated Statement of Cash Flows. A Statement of Cash Flows is included in the FY13 financial statements with FY12 comparatives.

**OPERATIONAL AND FINANCIAL INFORMATION (CONTINUED)****Table of Pro Forma adjustments**

Set out below is a reconciliation between profit before tax presented as if it were prepared on a statutory basis to the EBITDA presented above on a Pro Forma basis.

12 MONTHS ENDING 31 DECEMBER (\$000)	Pro Forma Adjustment	FY11 Historical	FY12 Historical	FY13 Historical	FY14F Forecast
Profit before tax (statutory)		2,596	7,943	7,815	5,951
Net interest expenses and share of loss from associates		175	60	267	326
Depreciation and amortisation		398	388	336	958
Offer costs		-	-	-	1,708
EBITDA on a statutory basis (before Offer costs)		3,169	8,391	8,418	8,943
Include MACCS results prior to the date of control (net of NCI)	1	654	199	488	184
Assume Virtual Concepts Limited was consolidated for the Pro Forma Period	2	-	-	(424)	(26)
BookMyShow revenue	3	(2,064)	(2,567)	-	-
BookMyShow costs	3	2,064	2,567	-	-
<b>EBITDA before Offer costs</b>		<b>3,823</b>	<b>8,590</b>	<b>8,482</b>	<b>9,101</b>
Offer costs	4	-	-	-	(1,708)
<b>EBITDA (after non controlling interests)</b>		<b>3,823</b>	<b>8,590</b>	<b>8,482</b>	<b>7,393</b>
<b>Add back: non controlling interest</b>		<b>652</b>	<b>198</b>	<b>486</b>	<b>184</b>
<b>EBITDA (Pro Forma)</b>		<b>4,475</b>	<b>8,788</b>	<b>8,968</b>	<b>7,577</b>

**Pro Forma adjustments**

The Vista Group believes that its statutory financial information does not reflect its financial performance in a consistent manner. The PFI for FY14F (statutory) and FY15F (statutory) are also shown on an unadjusted basis, as this reflects the basis on which the Group will report its results for those financial years. Pro Forma financial information adjusts statutory financial information to reflect the structure of the Group to aid comparability of financial information. The Vista Group believes that the use of Pro Forma financial information allows investors to better compare its financial information between years.

A Pro Forma consolidated Income Statement for FY11 to FY14F (*the Pro Forma Period*) is presented alongside FY15F. There are no Pro Forma adjustments in FY15F and therefore FY15F is accordingly presented in a manner consistent with the "Basis of Preparation" outlined in the *Appendix*.

Equally the Vista Group has not presented a Pro Forma Balance Sheet and Cash Flows. As is explained below by each of the adjustments, the impact of the change in the Group structure and the Pro Forma adjustments required to adjust for the relevant acquisition accounting is a complexity

which the Vista Group believes will not add to the understanding of this aspect of the Group's financial information. The Directors note that whilst acknowledging the materiality of acquisition accounting to the Group's Balance Sheet and Cash Flows (for a full understanding of the business combinations impacting the Group refer to Specific Assumptions in the *Appendix*), the Directors do not believe that the non-presentation of Pro Forma Balance Sheet and Cash Flows is material for the purposes of this offer. Investors are advised that for a complete understanding of the Group's Balance Sheet and Cash Flows they should refer to the *Appendix* and *Section 7.5: Historical Financial Information* of the Prospectus.

Accordingly Balance Sheet, Cash Flows and Statements of Movements in Equity are presented on a statutory basis.

**Description of Pro Forma adjustments**

- 1 The results from MACCS have been consolidated throughout the Pro Forma Period, including the period prior to 2 April 2014 where control was deemed to exist for financial reporting periods. The Company's interest in MACCS is 50.1% which results in a non-controlling interest computation

as disclosed in the table below. In respect of historical expenses for MACCS, they have been presented in a manner consistent with how the Group expects it would have treated expenses as if it was owned by the Company for the historical period. The attribution of costs to expense categories has been performed consistently through the historical and prospective financial years.

- 2 It has been assumed that the Vista Group has fully consolidated Virtual Concepts (Movio) for the Pro Forma period from FY11 to FY14F. In the historical financial statements for FY13 this was not the case whereby control was not deemed to exist and the entity was accounted for as an associate. For the 19 months (between 1 January 2013 and 1 September 2014) where significant influence rather than control was deemed to exist, the Pro Forma consolidated income statement assumes that control did exist. This adjustment does not impact FY11 and FY12 but does impact FY13 by increasing revenue by approximately \$2.1 million but decreasing EBITDA by \$0.4 million. For FY14F the revenue impact is an increase of \$2.9 million with a small reduction in EBITDA due to timing of costs.
- 3 For the FY11 and FY12 historical financial statements, BookMyShow revenue was recorded gross being ticket price as opposed to net, being the revenue attributable to the Vista Group. This treatment has been adjusted in FY11 and FY12 by reducing revenue and costs of sales accordingly. This adjustment effects revenue and costs only and has no impact on EBITDA.
- 4 Offer costs, being those one-off listing costs that are required to be expensed, have been shown separately. There are some Offer costs, in addition to those expensed, deducted against equity, which is in proportion to the assumed component of new Shares issued. One-off Offer costs expensed are \$1.7 million.

#### **Explanations of the non-GAAP financial information**

The Vista Group's financial statements have been prepared in accordance with NZ GAAP. As such, they comply with NZIFRS as well as IFRS.

Revenue has been highlighted in a number of places to indicate Group performance however in order to assist readers of the Vista Group's financial performance, the Vista Group uses certain non-GAAP financial measures in addition.

This includes several profit measure other than Net Profit. Where non-GAAP financial information is reported, there is a reference to further information

to help you interpret those terms which are not defined under NZ GAAP, together with reconciliations showing how the non-GAAP measure has been calculated from the historical and prospective financial statements.

Because they are not defined by NZ GAAP, IFRS, or any other body of accounting standards, the Vista Group's calculation of these measures may differ from similarly titled measures presented by other companies. These measures are intended to supplement the NZ GAAP measures presented in the Group's financial statements and not as a substitute for those measures.

#### **EBITDA and related profit measures**

EBITDA (or EBITDA after non-controlling interests) is earnings before net finance expenses, income tax, depreciation, and amortisation.

EBITDA (before Offer Costs) is earnings before net finance expenses, depreciation, amortisation and offer costs.

Vista Group management uses EBITDA and related profit measures to evaluate operating performance without the impact of non-cash depreciation or amortisation of acquisition related intangibles, capital position and tax.

#### **EBITA and related profit measures**

EBITA is earnings before net finance expenses, tax and amortisation.

Vista Group management uses EBITA and related profit measures to evaluate operating performance without the impact of non-cash amortisation of acquisition related intangibles, capital position and tax.

#### **NPATA and related profit measures**

NPATA is net profit after income tax before amortisation.

NPATA excluding issue costs is net profit after income tax, amortisation and issue costs.

Vista Group management considers that NPATA and related profit measures allow a better comparison to other companies as the measure excludes the amortisation from acquisition related intangibles.

#### **Net Cash**

Net Cash is total cash less total current and non-current loans and borrowing of the Group.

You can find a full description of assumptions and sensitivities relating to the prospective financial information for FY14F and FY15F in the *Appendix*, along with PFI presented in further detail.

## OPERATIONAL AND FINANCIAL INFORMATION (CONTINUED)

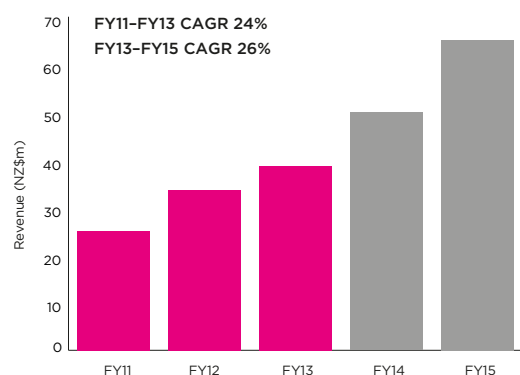
### Selected Operational Metrics

AS AT 31 DECEMBER	FY11 Historical	FY12 Historical	FY13 Historical	FY14F Forecast	FY15F Forecast
No of installed sites – cumulative Vista Cinema	1,993	2,409	2,975	3,865	4,376
No of installed sites – year – Vista Cinema	256	416	566	890	511
Group Pro Forma FTE's	138	174	219	311	358
Revenue per FTE (Pro Forma \$000)	181	194	177	160	171

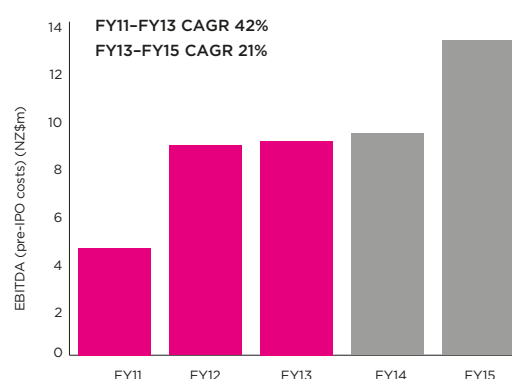
### Explanations of Trends in Financial Performance

The charts below summarise the movement in Pro Forma revenue and Pro Forma EBITDA for the period FY11, FY12 and FY13 and the PFI for FY14F and FY15F. These charts allow for a comparison of historical Pro Forma revenue and Pro Forma EBITDA in the PFI Period.

**VISTA GROUP PRO FORMA REVENUE TRENDS, FY11 – FY15F**



**VISTA GROUP PRO FORMA EBITDA TRENDS, FY11 – FY15F**



Below is an overview of primary drivers of the Vista Group's year on year Pro Forma revenue and Pro Forma EBITDA performance for FY11 to FY15F. A full description of assumptions and sensitivities relating to the PFI for FY14F and FY15F is in the *Appendix*. Historical financial performance is further discussed in *Section 7.5: Historical Financial Information of the Prospectus*.

#### Overview of Historical Pro Forma Revenue and Pro Forma EBITDA for FY12

Pro Forma revenue increased \$8.7 million in FY12 driven by an increase in the number of sites installed from 256 to 416. In particular the Vista Group commenced the delivery of two major contracts in the UK and the USA which together contributed approximately \$4.0 million of revenue. Maintenance revenue grew by \$2.7 million reflecting an increasing number of cumulative sites installed with the remaining increase primarily attributable to increasing services revenue.

Pro Forma EBITDA increased by \$4.3 million reflecting the EBITDA impact of revenue explained above offset by an increase of \$3.6 million in employee costs reflecting the full year impact of recruitment and ongoing investment by the Vista Group in its employees.

#### Overview of Historical Pro Forma Revenue and Pro Forma EBITDA for FY13

Pro Forma revenue increased by \$5 million to \$38.7 million in FY13 as a result of four more significant contracts deployed in the USA and Europe totalling 243 sites as further gains in market share were made in these markets.

Pro Forma EBITDA was flat reflecting significant additional investment in personnel as the Group prepares for future growth and preparing itself for being a listed company.

**Overview of Prospective Pro Forma Revenue and Pro Forma EBITDA (before Offer costs) for FY14F**

Pro Forma Revenue for FY14F is forecast to grow by \$11.2 million. This reflects \$5 million contracted additional revenue in respect of forecast maintenance revenue from significant customer installation programs in the USA. Other revenue growth is supported by Europe and China. Furthermore, the Group's acquisition of MACCS and Movio is expected to contribute further growth from that demonstrated in the Pro Forma Period. The combined impact of the acquisitions is expected to contribute a further \$4.2 million of revenue in FY14F. Further growth in revenues is forecast from the Vista Group's customer base consistent with growth achieved in the historical period.

Pro Forma EBITDA (before Offer costs) is expected to increase a further \$0.4 million, reflecting the impact of revenue growth described above offset by further investment in personnel and research and development.

**Overview of Prospective Revenue and EBITDA (before Offer costs) for FY15F**

Revenue for FY15F is forecast to grow by \$11.6 million. This growth reflects the significant contribution that the Group expects from both MACCS and Movio as both product offerings are extended into the USA which is forecast to contribute approximately \$6.2 million of growth. Complementing this, the Vista Group expects to continue to grow maintenance and services revenue across its customer base in line with growth currently achieved as sites installed increase.

An EBITDA (before Offer costs) increase of \$3.9 million in FY15F reflects forecast revenue growth with the offsetting investment in personnel and research and development continuing, but at a declining rate relative to revenue.



## OFFER DETAILS

### 8.1.1 The Offer

The Offer is an offer of ordinary shares in the Company, comprising both existing Shares held by the Existing Shareholders and new Shares to be issued by the Company, which will be acquired by the Offeror and sold under this Offer at the Final Price to members of the public in New Zealand and to selected Institutional Investors in New Zealand, Australia and certain other jurisdictions. The existing Shares held by the Existing Shareholders and new Shares to be issued by the Company will rank equally in all respects.

The Offer comprises a Broker Firm Offer, a Vista Group Employee Offer and an Institutional Firm Offer. There is no general public offer under which you may subscribe for Shares. If you are not a Vista Group employee, and you wish to subscribe for Shares, you must do so through an NZX Firm with an allocation of Shares.

Further details of the Broker Firm Offer, the Vista Group Employee Offer and the Institutional Offer can be found under the headings "Broker Firm Offer", "Vista Group Employee Offer" and "Institutional Offer".

#### Purpose of the Offer

The purpose of the Offer is to:

- fund the acquisition of Movio and MACCS, including associated transaction costs, fees for the Offer;
- to allow Existing Shareholders to realise some of their investment; and
- to list the Company on the NZX Main Board and the ASX which will enhance the Vista Group's ability to pursue growth opportunities through access to the capital markets.

#### Size of the Offer

The Offer comprises an offer by the Offeror of:

- up to \$40 million worth of new Shares (being between 14.8 million and 19.0 million Shares based on the Indicative Price Range), which includes up to \$0.8 million worth of new Shares as part of the Vista Group Employee Offer (being between 0.3 million and 0.4 million Shares based on the Indicative Price Range); and
- 22.4 million existing Shares.

Based on the Indicative Price Range and there being \$40 million of new Shares issued the

expected gross proceeds from the Offer will be \$86.9 million to \$100.3 million, of which the Company will receive \$40 million.

The Selling Shareholders will each enter into binding commitments to sell their chosen number of Shares before commencement of the bookbuild.

#### Proceeds of the Offer

The Company intends to apply the proceeds it receives from the Shares offered under the Offer to:

- acquire a controlling share in MACCS;<sup>28</sup>
- move to a 100% shareholding in Movio;
- provide final settlement to Movio investors based on performance;<sup>29</sup>
- fund Numero as required;
- Offer expenses; and
- funds for future acquisitions and developments. Management intends to seek further growth opportunities. These may include acquiring competitors, new business opportunities in the film industry, expansion of the Group's Big Data activities or other opportunities that present strategic and commercial benefits to the Group.

#### How much do I pay?

You will pay the Final Price per Share, determined following the bookbuild process described below. The Final Price is expected to be announced on or about 16 July 2014 on the Vista Group website: [www.vistagroup.co.nz](http://www.vistagroup.co.nz).

As the Final Price will be known when you make your Application, you will be asked to apply for a number of Shares multiplied by the Final Price, which will give a total Application amount.

The price per Share payable under the Vista Group Employee Offer will be 80% of the Final Price.

You will not pay any brokerage, commission or stamp duty for the Shares you apply for in the Offer.

#### How is pricing of the Shares fixed?

The Final Price for the Shares will be determined on or about 16 July 2014 following the conclusion of a "bookbuild" process managed by the Lead Manager. A bookbuild is the term used to refer to the process of collating demand for shares at various prices from institutional investors, including NZX Firms, who bid for shares. The information collated in the bookbuild is then used to assist with the

<sup>28</sup> Initial 25.1% investment for \$4.8 million and a second investment (utilising the 25% option) of \$4.5 million, which will take the Company's shareholding to 50.1%. The Company intends to exercise this option as at 1 September 2014. Further information on the MACCS acquisition is available under the heading "12: Acquisition of a Business or Subsidiary" in Section 10: Statutory Information of the Prospectus.

<sup>29</sup> Expected performance based payment of \$5.9 million which is reflected in the balance sheet on a present value basis of \$4.6 million in FY14F (assuming the performance payment is made in cash and not in Shares). Further information on the Movio acquisition is available under the heading "12: Acquisition of a Business or Subsidiary" in Section 10: Statutory Information of the Prospectus.

determination of the pricing and allocation of shares. NZX Firms bid into the bookbuild in order to obtain a firm allocation which they can then offer to their New Zealand resident clients. The bookbuild is expected to take place on 15-16 July 2014.

The Final Price will be determined by the Issuers in consultation with the Lead Manager and may be within, above or below the Indicative Price Range.

### Selling Shareholders

Selling Shareholders are selling a portion of their holding to the Offeror in connection with the Offer pursuant to a Sale and Purchase Agreement (as described under the heading "Material Contracts" in *Section 10: Statutory Information* of the Prospectus). Subject to confirmation of the Final Price, Selling Shareholders intend to sell 22.4 million Shares under the Offer. The continuing shareholding of the Existing Shareholders is expected to comprise between 45% and 49% of the total Shares on issue following the issue of new Shares under the Offer (based on the Indicative Price Range). The Offeror will sell all of the Shares acquired from the Selling Shareholders, as well as all of the new Shares it subscribes for, into the Offer and will not retain a shareholding following completion of the Offer.

Shares retained by the Existing Shareholders, any Shares purchased by Existing Shareholders under the Vista Group Employee Offer and any Shares purchased under the Offer by the independent Directors will be subject to escrow arrangements which will restrict their sale or disposal until the first day after the Vista Group's preliminary announcement has been released to the market in respect of its financial results for the year ending 31 December 2015, without the approval of the Directors who are not "interested" in the decision (as that term is defined in the Companies Act), the Company and NZX, subject to limited exceptions set out in the Prospectus.

### Shareholdings

The ownership of the Company prior to the Offer and upon completion of the Offer (following the allotment of the Shares) is illustrated in the table below based on the Indicative Price Range and the range of Shares that the Selling Shareholders may elect to sell down.

SHAREHOLDER	Prior to the Offer		Following completion of the Offer <sup>30</sup>	
	SHARES	%	SHARES (MILLION)	%
Murray Lawrence Holdaway, Helen Rachel Geary and Stephen John McDonald	15,086,875	25.3	9,353,862	11.4-12.1
Brian John Cadzow, Julie Ann Cadzow and Peter Allen Lewis	10,456,250	17.5	6,482,875	7.9-8.4
Bruce Alexander Wighton, Marianne Bachler and Peter John Clark	8,735,450	14.6	5,415,979	6.6-7.0
Gregory James Trounson, Donald Mackenzie Gibson and Kathryn Mary Lee Trounson	7,020,625	11.8	4,352,787	5.3-5.6
Bruce Alan Forbes and Derek Geoffrey Forbes	2,987,500	5.0	2,091,250	2.5-2.7
Other Shareholders with a holding of less than 5% prior to the Offer	15,463,300	25.9	9,652,012	11.7-12.5

### 8.1.2 Broker Firm Offer

The Broker Firm Offer is open to New Zealand resident clients of NZX Firms who have received an allocation. You should contact your broker to determine whether they may allocate Shares to you

under the Broker Firm Offer. Your NZX Firm will determine the number of Shares you may apply for. However, the minimum application amount is 2,000 Shares.

<sup>30</sup> Numbers and percentages assume the maximum number of Shares sold down in the indicative range and include Shares to be issued prior to the Allotment Date to the VCL Sellers, to Eligible Vista Group Employees pursuant to the Vista Group Employee Gift. Further information on these transactions is available under the

heading "12: Acquisition of a Business or Subsidiary" in *Section 10: Statutory Information* of the Prospectus and "Vista Group Employee Gift" in *Section 5.2.6: Executive Remuneration and Share Plans* of the Prospectus.



## OFFER DETAILS (CONTINUED)

You can apply in the Broker Firm Offer by completing the Application Form accompanying this Investment Statement in accordance with the instructions set out in *Section 10: How Do I Apply?*

Please contact your broker if you require further instructions.

### 8.1.3 Vista Group Employee Offer

The Vista Group Employee Offer is open to Eligible Employee Offerees.

Up to \$800,000 worth of Shares have been reserved for the Vista Group Employee Offer. Shares will be offered under the Vista Group Employee Offer at a 20% discount to the Final Price.

You can apply under the Vista Group Employee Offer by completing the Employee Offer Application Form provided to you by the Vista Group. Eligible Employee Offerees wishing to apply under the Vista Group Employee Offer must contact Brian Cadzow (brian.cadzow@vista.co.nz) to request a copy of the Vista Group Employee Offer Application Form.

### 8.1.4 Institutional Offer

The Institutional Offer is open to Institutional Investors in New Zealand, Australia and certain other jurisdictions who will participate through the bookbuild.

### 8.1.5 Allocation, Allotment and Listing

#### Allocations

The allocation of Shares between the Broker Firm Offer and the Institutional Offer and as between Institutional Investors will be determined by the issuers in consultation with the Lead Manager.

Allocations of Shares under the Vista Group Employee Offer will be determined by the Issuers. If the value of Applications received under the Vista Group Employee Offer is greater than the value of Shares available under the Vista Group Employee Offer (\$800,000), Applications will be scaled back in such a manner as the Issuers may determine.

Up to \$800,000 worth of Shares have been reserved for the Vista Group Employee Offer. For the purpose of NZX Listing Rule 7.1.8, this represents a maximum of 0.4 million Shares or 0.5% of the total Shares the Group will have on issue following the Offer, based on the Indicative Price Range.

Allocations by NZX Firms to their New Zealand resident clients will be determined by those NZX Firms. It will be a matter for the NZX Firms to ensure that their New Zealand resident clients who have received an allocation from them receive their Shares. Broker Firm Offer Applicants should contact their NZX Firm from whom they received their allocation to find out if their Application was successful.

#### Allotments

Any New Zealand resident with a CSN will have their Shares allotted under their CSN, if the CSN was provided on the Application Form.

Applicants who do not have a CSN will be allocated a CSN at the time of Application. The CSN will be advised at the time the allotment of Shares is confirmed and the associated Authorisation Code (FIN) will be sent as a separate communication on 9 August 2014.

Shares allocated under the Offer are expected to be allotted on 8 August 2014.

Holding statements are expected to be sent to all successful Applicants on 11 August 2014. None of the Issuers, the Lead Manager, the Registrar nor any of their respective directors, officers, employees or advisers accepts any liability should any person attempt to sell or otherwise deal with the Shares before a statement confirming allotment is received.

#### Listing

##### NZX

Application has been made to NZX for permission to list the Company and to quote the Shares on the NZX Main Board and all the requirements of NZX relating thereto that can be complied with on or before the date of this Prospectus have been duly complied with. However, NZX accepts no responsibility for any statement in this Prospectus. The NZX Main Board is a registered market operated by NZX, which is a registered exchange, regulated under the Securities Markets Act.

Initial quotation of the Shares on the NZX Main Board is expected to occur under the code 'VGL' on 11 August 2014.

##### ASX

An application will be made to ASX after this Investment Statement and the Prospectus have been lodged with ASIC for the Company to be admitted to the official list of the ASX and for quotation of the Shares on the ASX. It is anticipated that the ASX stock code for the Company's Shares will be "VGI".

ASX takes no responsibility for the contents of this Investment Statement or the Prospectus or for the merits of the investment to which this Investment Statement relates. The fact that ASX may admit the Company to the official list and quote the Shares on the ASX is not to be taken as an indication of the merits, or as an endorsement by ASX, of the Vista Group or the Shares. The ASX is not a registered market under the Securities Markets Act.

## ABOUT THE SHARES

Each Share confers an equal right to share in dividends and other distributions authorised by the board of the Company, and to cast a vote at meetings of Shareholders, in accordance with the Constitution.

The existing Shares held by the Existing Shareholders and new Shares to be issued by the Company will rank equally in all respects.

Once the Shares are trading, further information about the Company will be able to be obtained at [www.nzx.com](http://www.nzx.com).

### What returns will I get?

Your returns on Shares may be:

- dividends paid and other distributions which may be made in respect of your Shares; and
- any gains you make if you sell or dispose of your Shares for a net price that is greater than the price you paid for them (although the market price of your Shares may also decline, making them worth less than you paid for them).

No amount of returns is promised in respect of the Shares. The key factors that will determine your returns (if any) are the market price for Shares and the Board's decisions in relation to dividends or other distributions. If you sell your Shares, you may be required to pay brokerage or other sale expenses. Tax will also affect your returns from the Shares. You should seek your own tax advice in relation to your Shares.

The Company is legally liable to pay you any dividends or other distributions declared on your Shares.

If you sell any of your Shares, the purchaser of those Shares will be legally liable to pay you the sale price.

You may cash in your investment by selling your Shares. Any sale of Shares must be made in accordance with the requirements of the Constitution, the NZX Listing Rules and ASX Listing Rules and any applicable laws.

### Dividend Policy

The Vista Group's dividend policy is to distribute 30% to 50% of profit subject to immediate and future growth opportunities. At present, the Vista Group does not intend to pay a further dividend in relation to FY14F or FY15F, but instead to use the capital to execute on growth opportunities.

The Directors will monitor the Group's projected cashflow and capital requirements and will review this policy on an annual basis.

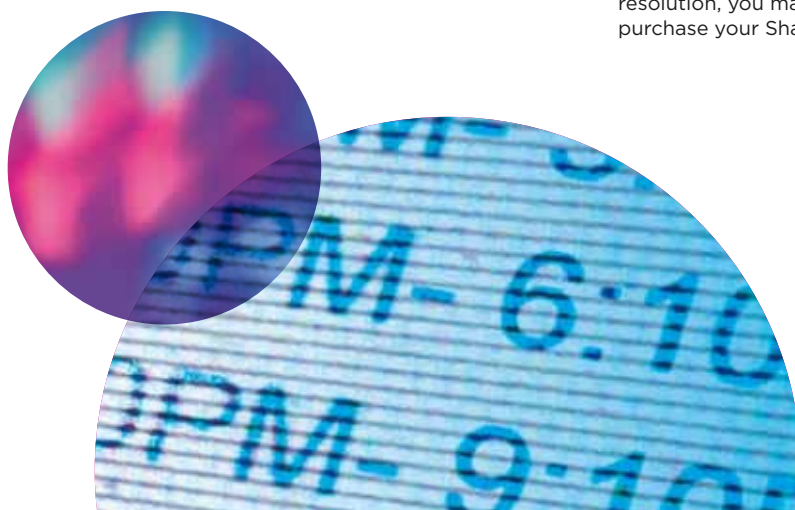
### Escrow

The Existing Shareholders and the independent Directors have entered into an escrow arrangement with the Company under which the Existing Shareholders have agreed not to sell or otherwise dispose of their Existing Shares which are not sold as part of the Offer and any Shares purchased by them under the Vista Group Employee Offer (where that Existing Shareholder is an Eligible Employee Offeree), and the independent Directors have agreed not to sell or otherwise dispose of any Shares purchased under the Offer, until the first day after the Company's preliminary announcement has been released to the market in respect of its financial results for the period ending 31 December 2015, except in certain limited circumstances. For more information see *Section 8: Details of the Offer* of the Prospectus.

### Can my investment be altered?

The Company may only amend its Constitution (which sets out the rights attached to Shares) with approval by a special resolution of Shareholders. The Company cannot take any action that affects the rights of any interest group of Shareholders without approval by a special resolution of that affected interest group.

A special resolution must be approved by at least 75% of the votes of those Shareholders entitled to vote and who actually vote on that resolution. Under certain circumstances, if your rights are affected by an action approved by a special resolution, you may require the Company to purchase your Shares.



**ABOUT THE SHARES (CONTINUED)****NZX Listing Rule 7.1.15**

As of the date of this Investment Statement, the following Shareholders have relevant interests (as defined in the Securities Markets Act 1988) in 51% or more of the Shares:

Relevant Interest Holder	Shares	Nature of Relevant Interest	Consideration and Other Terms
Murray Lawrence Holdaway, Helen Rachel Geary and Stephen John McDonald	15,086,875	Legal and registered title held as trustees of the Holdaway Geary Trust	2,525 Shares (following subdivision, now 15,086,875) were acquired for 8.5 cents per Share in August 2003 on incorporation of the Company and in connection with the Company's original acquisition of a 50% interest in Vista Entertainment Solutions.
Brian John Cadzow, Julie Ann Cadzow and Peter Allen Lewis	10,456,250	Legal and registered title held as trustees of the B&J Cadzow Family Trust	1,700 Shares (following subdivision, now 10,157,500) were acquired for 8.5 cents per Share in August 2003 on incorporation of the Company and in connection with the Company's original acquisition of a 50% interest in Vista Entertainment Solutions. 50 Shares (following subdivision, now 298,750) were subsequently purchased at \$2,500 per Share (effective price post subdivision, \$0.42 per Share).
Bruce Alexander Wighton, Marianne Bachler and Peter John Clark	8,735,450	Legal and registered title held as trustees of the Wighton Bachler Holdings Trust	1,275 Shares (following subdivision, now 7,618,125) were acquired for 8.5 cents per Share in August 2003 on incorporation of the Company and in connection with the Company's original acquisition of a 50% interest in Vista Entertainment Solutions. 187 Shares (following subdivision, now 1,117,325) were subsequently purchased at \$2,500 per Share (effective price post subdivision, \$0.42 per Share).
Gregory James Trounson, Donald Mackenzie Gibson and Kathryn Mary Lee Trounson	7,020,625	Legal and registered title held as trustees of the Trounson Family Trust	1,175 Shares (following subdivision now 7,020,625) were acquired for 8.5 cents per Share in August 2003 on incorporation of the Company and in connection with the Company's original acquisition of a 50% interest in Vista Entertainment Solutions.
Bruce Alan Forbes and Derek Geoffrey Forbes	2,987,500	Legal and registered title held as trustees of the DG Forbes Trust	500 Shares (following subdivision now 2,987,500) were acquired between 2009 and 2012 at an average cost of \$1,437.05 (effective price post subdivision, \$0.24 per Share).

None of the persons named above guarantees, or undertakes any liability in respect of, the Shares.

**Consequences of Insolvency**

In the event of the insolvency of the Company, you will not be liable to pay any money to any person. All creditors (secured and unsecured) of the Company will rank ahead of your claim as a Shareholder in the Company, if the Company is liquidated. After all such creditors have been paid, any remaining assets will be available for distribution among all Shareholders who rank equally. Any distribution made on liquidation of the Company may be less than the amount of your investment or you may not receive any amount.

## GLOSSARY

<b>Admissions</b>	Admissions refers to the number of people who buy a ticket to watch a film at a cinema
<b>Allotment Date</b>	8 August 2014, unless brought forward or extended by the Issuers
<b>Applicant</b>	A person who submits an Application Form
<b>Application</b>	An application to subscribe for Shares offered under this Investment Statement and the Prospectus
<b>Application Form</b>	An application form attached to or accompanying this Investment Statement to subscribe for Shares
<b>ASX</b>	ASX Limited, or the financial market operated by ASX Limited, as the context requires, also known as the Australian Securities Exchange
<b>ASX Listing Rules</b>	The official listing rules of ASX
<b>Auditor</b>	Grant Thornton
<b>Big Data</b>	Data sets that are too large and complex to manipulate or interrogate with standard methods or tools
<b>Board or Board of Directors</b>	The board of directors of the Company
<b>Broker Firm Offer</b>	The offer of Shares under this Investment Statement and the Prospectus to New Zealand resident retail clients of brokers who have received an allocation from their broker
<b>Business Day</b>	A day on which the NZX Main Board is open for trading
<b>CAGR</b>	Cumulative annual growth rate
<b>Cinema Management Software</b>	Software that enables cinema owners and employees to manage the process of operating an individual cinema and cinema circuit. The software may for example include a ticketing system, concession system, film management or loyalty system, for example.
<b>Closing Date</b>	The last day on which Applications will be accepted under the Broker Firm Offer, being 1 August 2014, unless brought forward or extended by the Issuers
<b>Company</b>	Vista Group International Limited
<b>Companies Act</b>	Companies Act 1993
<b>Constitution</b>	The constitution of the Company, as amended from time to time
<b>CSN</b>	Common Shareholder Number
<b>Director</b>	A director of the Company
<b>Existing Shareholders</b>	All Shareholders of the Company as at the date of the Prospectus
<b>Eligible Vista Group Employee</b>	Any person resident in New Zealand or the United Kingdom who is employed on a permanent (full time or part time) basis by the Company or a wholly-owned subsidiary of the Company
<b>Eligible Employee Offerees</b>	Eligible Vista Group Employees who do not (directly or through any related party) own (or investment trusts or other similar entities associated with them) (as at 31 March 2014) more than one percent of the issued Shares

**GLOSSARY (CONTINUED)**

<b>EV</b>	Enterprise Value
<b>F</b>	In relation to financial years, means a forecast period
<b>Film Distribution Software</b>	Software that enables film distributors to manage various aspects of their business and includes software for film bookings, contract administration and rights management, film advertising, as well as financial management and reporting for each film
<b>Final Price</b>	The price per Share at which the Shares will be allotted under the Broker Firm Offer and the Institutional Offer, expected to be determined on or about 16 July 2014
<b>Financial Reporting Act</b>	Financial Reporting Act 2013
<b>FTE</b>	Full-time equivalent
<b>FY</b>	Financial year
<b>Indicative Price Range</b>	\$2.10 to \$2.70
<b>Institutional Investor</b>	Investors to whom the Lead Manager determines an offer or invitation of securities may be made without the need for a lodged prospectus (or other formality, other than a formality with which the Issuers are willing to comply), including in New Zealand person to whom offers or invitations can be made without the need for a registered prospectus under the Securities Act
<b>Institutional Offer</b>	The invitation to selected Institutional Investors in New Zealand, Australia and certain other jurisdictions
<b>Investment Statement</b>	This document
<b>Issuers</b>	The Company and the Offeror
<b>Lead Manager</b>	Macquarie Securities (NZ) Limited
<b>Large Circuit Market</b>	Cinema exhibitors with 20 screens or more
<b>MACCS</b>	MACCS International B.V.
<b>Movio</b>	Movio Limited
<b>NPAT</b>	Net profit after tax
<b>Numero</b>	Numero Limited
<b>NZ GAAP or GAAP</b>	New Zealand Generally Accepted Accounting Practice
<b>NZIFRS</b>	New Zealand equivalents to International Financial Reporting Standards
<b>NZX</b>	NZX Limited
<b>NZX Firm</b>	Any company, firm, organisation or corporation designated or approved as a Primary Market Participant from time to time by NZX, see <a href="http://www.nzx.com/investing/find_a_participant">http://www.nzx.com/investing/find_a_participant</a> for a list
<b>NZX Listing Rules</b>	The listing rules applying to the NZX Main Board as amended from time to time
<b>NZX Main Board</b>	The main board equity security market, operated by NZX
<b>Offer</b>	The offers of Shares pursuant to this Investment Statement and the Prospectus
<b>Offeror</b>	Vista Group Holdings Limited

<b>PFI</b>	Prospective financial information
<b>PFI Period</b>	FY14F and FY15F
<b>Prospectus</b>	The prospectus in respect of the Offer
<b>Recurring Revenues</b>	Revenues that re-occur on an annual basis. For the Vista Group, they include annual maintenance fees, subscription fees, annual licence fees and half of Vista Cinema's service fees. They do not include one-off, upfront licence fees or implementation fees
<b>Registrar</b>	Link Market Services Limited
<b>SaaS</b>	Software as a service – a software licensing model in which software is licenced on a subscription basis and is centrally hosted on the cloud by independent software vendors or application service providers
<b>Securities Act</b>	Securities Act 1978
<b>Securities Markets Act</b>	Securities Markets Act 1988
<b>Securities Regulations</b>	Securities Regulations 2009
<b>Selling Shareholder</b>	An Existing Shareholder who has elected to sell Shares under the Offer
<b>Share</b>	An ordinary share in the Company
<b>Shareholder</b>	A holder of one or more Shares in the Company
<b>Small Circuit Market</b>	Cinema exhibitors with less than 20 screens
<b>VCL Sellers</b>	Certain shareholders holding 39.28% of the shares in Virtual Concepts prior to the Allotment Date
<b>Veezi</b>	Cloud-based cinema management software developed by Vista Entertainment Solutions and supplied to its customers
<b>VES or Vista Entertainment Solutions</b>	Vista Entertainment Solutions Limited
<b>Virtual Concepts</b>	Virtual Concepts Limited, the sole shareholder of Movio
<b>Vista Cinema</b>	Cinema Management Software developed by Vista Entertainment Solutions and supplied to its customers
<b>Vista Group or Group</b>	The Company and each of its subsidiaries and in addition MAACS
<b>Vista Group Employee Offer</b>	The offer of Shares under the Prospectus and this Investment Statement to Eligible Employee Offerees

#### ADDITIONAL DEFINITIONS FOR THE KEY OFFER STATISTICS AND KEY INVESTMENT METRICS

<b>Implied market capitalisation</b>	The number of Shares on issue following the Offer multiplied by the Indicative price range
<b>Prospective net cash</b>	The forecast value of cash less current and non-current borrowings as at 31 December 2015
<b>Implied enterprise value</b>	The implied market capitalisation minus prospective net cash as at 31 December 2014
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EBITA</b>	Earnings before interest, tax and amortisation
<b>NPATA</b>	Net profit after tax before amortisation

## PROSPECTIVE FINANCIAL INFORMATION

This *Appendix* contains:

- the basis of preparation for the consolidated PFI for the Vista Group, including the significant accounting policies;
- a description of the board's best estimate of general and specific assumptions that underpin the PFI contained in this Investment Statement;
- the consolidated PFI for the Vista Group, as required by clause 11(1)(c) of Schedule 1 to the Securities Regulations, which includes prospective consolidated statements of comprehensive income, balance sheets, changes in equity and cash flows; and
- an analysis of the sensitivity of PFI to changes in specific key assumptions.

### Basis of Preparation

The consolidated PFI, for FY14F and FY15F has been prepared in accordance with the requirements of FRS-42 Prospective Financial Statements, subject to the Securities Regulations, specifically for the purpose of the Offer and may not be suitable for any other purpose.

The PFI, including the assumptions underlying it, has been prepared by management and approved by the Board. They are based on the Board's assessment of events and conditions existing at the date of the Investment Statement and the accounting policies and best estimate assumptions set out under the heading "General and Specific Assumptions". The Board approved the consolidated PFI on 2 July 2014 for use in this Investment Statement and the Prospectus.

PFI by its nature involves risks and uncertainties, many of which are beyond the control of the Vista Group. The Board believes that the consolidated PFI has been prepared with due care and attention, and consider the best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this Investment Statement. Actual results are likely to vary from the information presented as anticipated events and results may not occur as expected, and the variations may be material. Accordingly, neither the Directors nor any other person can provide any assurance that the PFI will be achieved and investors are cautioned not to place undue reliance on the PFI.

The consolidated PFI for FY14F includes trading results for the three months to 31 March 2014.

There is no present intention to update the consolidated PFI or to publish PFI in the future, other than as required by accounting standards. The Vista Group will present a comparison of certain line items of the consolidated PFI with actual financial results when reported in accordance with NZ GAAP and regulation 44 of the Securities Regulations.

All financial information in this section is presented in NZD and rounded to the nearest thousand.

The PFI includes items considered non-GAAP financial information, including the following profit measures. EBTIDA – earnings before net finance expense, income tax, depreciation, and amortisation, EBITA – earnings before interest, tax, and amortisation, and NPATA, being Net Profit after Tax before amortisation has all been disclosed. Where non-GAAP financial information is reported there is a reference to further information to help you interpret those terms.

The significant accounting policies applied to the preparation of the consolidated PFI are set out in *Section 7.5.2: FY13 Audited Financial Statements of the Prospectus*.

Other than those included in the specific assumptions section below no new accounting policies have been adopted in the PFI period. However, any further changes to NZ GAAP could necessitate changes in the accounting policies currently adopted and any new or amended accounting standards, or interpretation may impact the actual financial results or financial position.

### General and Specific Assumptions

A description of the Board's best estimate general and specific assumptions upon which the consolidated PFI is based are summarised below and should be read in conjunction with the information set out under *Section 6: What are my Risks?* of this Investment Statement and the Prospectus.

### General Assumptions

#### Political, legislative and regulatory environment

There will be no material change in the Vista Group's competitive, political, legislative or regulatory environment. It is assumed that sales of our products will not be adversely affected by any adverse publicity about our products.

#### Economic environment

There will be no material change in the general economic environment in which the Vista Group operates or sells its products.

#### Key customers, suppliers and distribution channels

There will be no material change in existing contractual, business and operational relationships with the Vista Group's key customers, suppliers and resellers throughout the PFI Period. Relationships with other key customers and resellers and suppliers, should they cease, will be replaced by arrangements with other parties on similar levels of activity and contractual terms.



### **Competitive environment**

There will be no material change to the competitive dynamics of the markets in which the Vista Group operates or sells its products, including any material change in competitor environment.

### **Disruption to operations**

There will be no material disruption to operations, including natural disasters, fires or explosions, input product supply or quality issues, product recall requirements or through normal hazards associated with the Vista Group's activities (including disruptions to or affecting any of the Vista Group's suppliers or resellers).

### **Taxation**

There will be no material change to the New Zealand corporate tax rate of 28% or any region in which the Vista Group has a material tax exposure. There will be no material changes to corporate tax laws in any jurisdiction that would affect the Vista Group.

### **Accounting standards**

Accounting standards and interpretation will remain consistent throughout the PFI Period. The prospective financial statements assume there will be no material change in NZ GAAP during the PFI Period. It is assumed that the Vista Group will not early adopt any accounting standards that have been issued but are not currently effective.

### **Acquisitions and disposals**

It is assumed that the Vista Group will not undertake any material acquisitions or disposals other than those disclosed in the specific assumption section below.

### **Key Directors, senior management, personnel and consultants**

It is assumed that Directors, senior management key personnel and consultants remain in employment of the Vista Group or be available to the Group as required.

### **Specific Assumptions**

#### **Accounting policies**

The Vista Group's accounting policies will remain constant throughout the period covered by the prospective financial statements except for the new policies discussed below. The Vista Group's existing accounting policies are set out in the historical financial statements for the year ended 31 December 2013 included in *Section 7.5: Historical Financial Information* of the Prospectus.

In addition to the accounting policies of the Vista Group set out in the 2013 financial statements, the Group intends to adopt the following accounting policies:

### **Share Capital**

Ordinary share capital is recognised at the fair value of the consideration received by the Vista Group. Transaction costs related to the listing of new Shares and the simultaneous sale and listing of existing Shares are allocated to those transactions on a proportional basis.

Transaction costs relating to the sale and listing of existing Shares are not considered costs of an equity instrument as no equity instrument is issued, and consequently costs are recognised as an expense in the Statement of Comprehensive Income when incurred. Transaction costs related to the issue of new share capital are recognised directly in equity as a reduction of the Share proceeds received.

### **Intangible Assets**

Intellectual property and customer relationships acquired as part of business combinations have the following useful economic lives:

- intellectual property – 10 to 15 years;
- customer relationships – 10 years.

### **Business Combinations**

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition.

The cost of the acquisition is measured as the aggregate of the consideration transferred measured at the acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquirer at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred and included in administrative expenses.

On initial recognition, the assets and liabilities of the acquired subsidiary are included in the consolidated Statement of Financial Position at their fair values, which are also used as the basis for subsequent measurement in accordance with the Company's and Group's accounting policies.

Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over acquisition cost is recognised in profit or loss immediately after acquisition.

**PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)**

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and the resulting gain or loss is recognised in the profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of NZ IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with change in fair value recognised in either profit or as a change to Other Comprehensive Income.

**Basis of Consolidation**

The Group financial statements consolidate those of the parent company, Vista Group International Limited, and its subsidiaries. A subsidiary is any reporting entity over which the Group has the power to control the financial and operating policies and takes into account the voting rights and terms of appropriate shareholder agreements. The subsidiary has a reporting date of 31 December.

In preparing the consolidated financial statements, all inter entity balances and transactions and unrealised profits and losses arising within the consolidated entity have been eliminated in full.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.

**Business combinations**

The following transactions are assumed to occur in the PFI period:

**Acquisition of 50.1% of MACCS**

In April 2014, Vista acquired 25.1% of the share capital of MACCS with an option to acquire a further 25% of the shares for a total of EUR5.75 million (\$9.3 million). All share capital acquired is from the existing owners of MACCS. MACCS has a 90% investment in VPFHub GmbH; a German registered Company.

It is assumed the option is exercised by the Company on 1 September 2014, shortly after the Offer proceeds are received.

The following assumptions have been made in respect of the acquisition and the ongoing treatment of MACCS in the PFI:

- The option to acquire the 25% shareholding in MACCS is deemed to be substantive and the existing shareholders agreement provides sufficient power to the Company to determine that the Company controls MACCS from the date of the agreement. The shareholder's agreement permits the Company to make certain operating and strategic decision, when there is a deadlock for fixed consideration to the remaining shareholders. Accordingly, MACCS has been consolidated into the Vista Group results from this date. It is assumed that no such payments are made in the PFI period.
- The non-controlling interests in MACCS are assumed to be measured at fair value on acquisition. Fair value was determined using the value per share determined by the Company's acquisition less a discount to reflect the fact that it is a non-controlling interest.
- The Company has assumed that definite life intangible assets with a value of EUR3.2 million (NZ\$5.1 million) were acquired and separately recognised on the acquisition balance sheet.
- Goodwill created from the transaction has assumed to be EUR6.7 million (NZ\$10.7 million).
- Impairment testing for this balance at 31 December 2014 has determined that based on forecast cash flows the goodwill is not impaired.
- A deferred tax liability of \$1.4 million is recognised on the acquisition balance sheet in respect of the depreciable intangible assets.

**Acquisition of the remaining share capital in Virtual Concepts**

The Vista Group currently own 57% of the share capital of Virtual Concepts and have signed sale and purchase agreements to purchase the remaining 43% of the share capital after the Allotment Date. In the FY13 financial statements the investment in Virtual Concepts was equity accounted as it was determined that the Vista Group exerted significant influence but not control.

In the FY11 and FY12 financial statements Virtual Concepts was consolidated in the Vista Group financial statements.

The initial consideration for the 43% in Virtual Concepts is \$10.8 million. Further deferred contingent consideration, which is capped at \$9.8 million, is split evenly into two tranches and will be payable based on a number of performance target criteria. The Company has provided for a total of \$5.9 million in the PFI Period (based on the expected payout), which is included in the balance sheet at its present value.

The sale and purchase agreement allows the Vista Group to settle the deferred consideration with a minimum of 30% cash and the balance in shares (at the discretion of the Vista Group). The settlement of the deferred consideration is assumed to be outside the PFI Period.

The following assumptions have been made in respect of the acquisition and the ongoing treatment of Virtual Concepts in the PFI:

- It is assumed the initial consideration of \$10.8 million will be satisfied as to \$3.9 million in cash and the balance of \$6.8 million in Shares valued at the Final Price. On completion of this acquisition the Vista Group is assumed to control Virtual Concepts and the financial results of Virtual Concepts are consolidated into the Vista Group.
- The two founders of Movio will remain in employment of Movio until at least March 2017.
- It is assumed that the current carrying value of the investment in Virtual Concepts equates to its fair value at the time that control is attained. The fair value of the consideration has been calculated using a payout associated with the probability-weighted average of all possible outcomes. The total deferred consideration of \$5.9 million is recognised as a financial liability on the Group's balance sheet.
- The payment of the deferred consideration is to be made after the PFI Period and is expected to be \$5.9 million. To reflect the time value of money the consideration has been discounted using a rate of 8% giving rise to a total discount of approximately \$1 million. The present value of this expected payment (\$5.9 million) is \$4.6 million as at 1 January 2014. The effect of the discounting unwinds over the PFI Period and the balance sheet by FY14F is \$5.1 million and FY15F \$5.7 million.
- The Vista Group reviewed the intangible assets associated with Movio and have identified \$1.9 million of definite life intangible assets have been separately recognised on the acquisition balance sheet.
- Goodwill of \$16.3 million is assumed to be recognised on the Group balance sheet at the date of acquisition. It is assumed the goodwill will not be impaired in the PFI Period.
- A deferred tax liability of \$0.6 million is recognised on the acquisition balance sheet in respect of the depreciable intangibles.

### **Allotment of new shares in BookMyShow**

BookMyShow Limited has a pre-existing arrangement to allot 26% of the share capital in BookMyShow to Big Tree International PVT Limited. The allotment took place in May 2014 for US\$15,000.

### **Sale of shares in Numero**

Numero is a start up company established by the Vista Group. As at the date of this Prospectus, the Company holds all of the shares in Numero. Certain Numero senior managers have been offered (and have accepted subject to agreement of appropriate documents) a 50% stake in Numero in consideration for A\$60,000 (in aggregate). The allotment of these shares is intended to be completed in FY14F. The shares allotted to Numero Senior Management are intended to retain those employees and incentivise performance.

Given the Vista Group had previously held 100% of the share capital (notwithstanding the pre-existing arrangement with Numero senior management referred to above), Numero has historically been consolidated in the Group's financial statements. Post the allotment of shares to Numero senior management, it is assumed that the Vista Group will have significant influence (but not control) over the investment and therefore it will be equity accounted from FY14F (not consolidated).

Revenue

Overview

The Vista Group has four key sources of revenue:

- revenue from VES which is split into three subgroups: product, services and maintenance;
- data analytics revenue generated by the Movio products;
- revenue generated by MACCS’ film distributor; and
- revenue from online ticketing solutions from BookMyShow.

The Vista Group’s actual and forecast revenue split on a Pro Forma basis is presented in the following table:

TABLE 1: REVENUE BY PRODUCT TYPE

NZ\$000	FY11 PRO FORMA	FY12 PRO FORMA	FY13 PRO FORMA	FY14F PRO FORMA	FY15F STATUTORY
Product	7,709	11,713	12,065	13,035	15,165
Services	2,292	3,463	4,179	5,001	4,630
Maintenance	9,104	11,794	13,931	19,089	22,768
<b>Cinema Software (VES)</b>	<b>19,105</b>	<b>26,970</b>	<b>30,175</b>	<b>37,125</b>	<b>42,563</b>
BookMyShow	217	273	294	395	409
Data Analytics (Movio)	100	810	2,170	5,135	9,075
Film Distribution (MACCS)	5,596	5,674	6,031	7,246	9,500
<b>Total revenue</b>	<b>25,018</b>	<b>33,727</b>	<b>38,670</b>	<b>49,901</b>	<b>61,547</b>

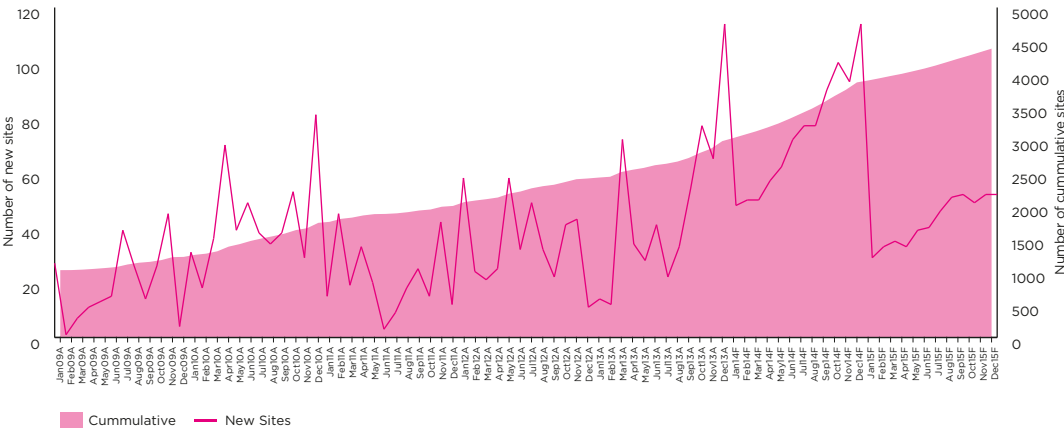
Pro Forma revenue is anticipated to grow 29% to \$49.9 million in FY14F and then 23% to \$61.5 million in FY15F. The key assumptions associated with each of the product groups as discussed below.

Vista Entertainment Solutions – product revenue

Product revenue is driven by the number of sites where VES’s products are installed and the average price per installed site. The price varies based on the prevailing foreign exchange rates.

It is assumed the number of new sites installed will increase from 566 in FY13 to 890 in FY14F and then decrease to 511 in FY15F. The number of new sites and the number of cumulative sites where product has been installed in the historical financial information and PFI is depicted in the following graph.

TABLE 2: NUMBER OF LICENCE SITES (NEW AND CUMULATIVE)



The PFI Period product revenues by product are split between:

- Recurring Revenues (from Veezi and licence rental fees);
- revenues from existing customers from anticipated new sites opened or acquired by Vista Entertainment Solutions' customers;
- revenues from new customers that are either:
  - contracted;
  - uncontracted where the customer has been identified; or
  - uncontracted where the customer has not been identified.

Unidentified revenues are analysed by geographical region and are based on the past experience of Vista Entertainment Solutions as to the quantum of previously unidentified that has historically been achieved.

**TABLE 3: FY14F/FY15F VISTA ENTERTAINMENT SOLUTIONS' PRODUCT REVENUE BY TYPE**



Income from Veezi is assumed to be \$0.4 million in FY14F and \$0.8 million in FY15F.

For larger contracts a deposit is received with the balance payable on installation.

Revenue in respect of non-recurring product licences is recognised when the product is installed at the customers' site. Any revenue received before the product is installed is recognised in the balance sheet as pre-billed deferred revenue.

#### **Vista Entertainment Solutions - maintenance revenue**

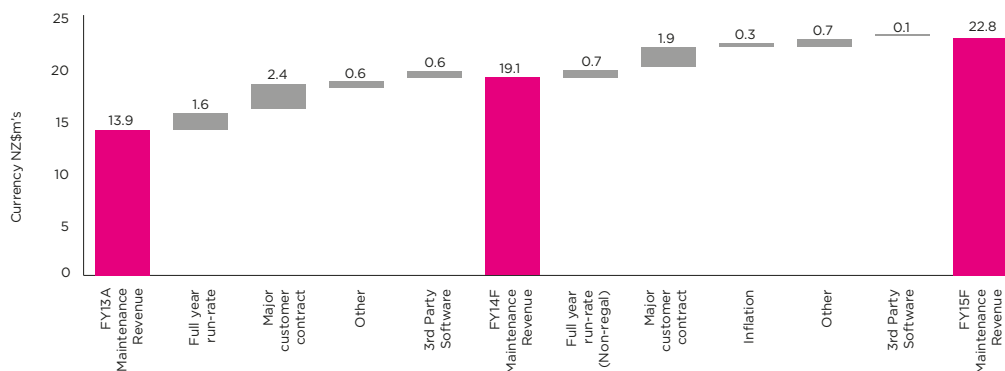
The Vista Group contracts include a maintenance agreement which entitles the holder to receive software enhancements and access to the services helpdesk. Whilst there is no legal entitlement to receive and pay for this service, over 98% of Vista Cinema sites currently do so.

It is assumed in the PFI that a similar proportion of customers continue to receive and pay the annual maintenance fee.

Annual maintenance revenues increase from \$13.9 million in FY13 to \$19.1 million in FY14F and then to \$22.8 million in FY15F. The movements are depicted in the following bridge.

## PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

TABLE 4: FY14F/FY15F VISTA ENTERTAINMENT SOLUTIONS' MAINTENANCE REVENUE BRIDGE



As noted above \$2.4 million of the increase in maintenance fees in FY14F and \$1.9 million of the maintenance fees in FY15F relate to a signed contract with a major customer. Vista Cinema's maintenance contracts contain either CPI adjustment clauses or equivalent mechanisms to increase maintenance fees over time. An average CPI index is factored into the maintenance revenue PFI.

Maintenance fees are invoiced periodically in advance and recognised as revenue on a straight line basis over the period to which they relate.

#### Vista Entertainment Solutions – services revenue

Services revenue is generated from installation of Vista Entertainment Solutions' products to new customers and development and support for existing and new customers.

Vista service revenue increases from \$4.2 million in FY13 to \$5 million in FY14F, falling to \$4.6 million; representing an 11% increase over the two years.

The prospective service revenue is based on management's expectations of revenue pipeline based on the expected growth in new and existing

customers. The assumptions are supported by a corresponding growth in service facing personnel.

#### Film Distribution Software (MACCS) revenue

Film Distribution Software revenues are derived from the same source as Vista Entertainment Solutions' revenue being product, maintenance and services. In FY14F it is forecast that 39%, 53% and 8% of revenues will be generated from maintenance, services and product fees respectively.

MACCS' strategic growth is focused on establishing an office in Los Angeles and developing opportunities in the USA. MACCS have assumed securing work with one or more major USA film studios and included in the PFI is \$0.6 million of revenue in FY14F and \$2 million of revenue in FY15F that pertain to this growth initiative.

#### Data analytics (Movio) revenue

Significant revenue growth is forecast for the data analytics (Movio) business. Revenue is forecast to increase from \$2.2 million in FY13 to \$5.1 million in FY14F (a 137% increase) to \$9.1 million in FY15F (a 77% increase). The Movio business has a number of income streams as shown in the following table.

TABLE 5: DATA ANALYTICS (MOVIO) REVENUE SPLIT BY TYPE

CURRENCY: NZ\$000	FY14F	FY15F
Licence fees	2,242	3,829
Other exhibitor revenue	1,129	2,410
Project revenue	1,232	1,708
Services	532	1,128
<b>Total revenue</b>	<b>5,135</b>	<b>9,075</b>

Licence fees, receivable from cinema exhibitors for the use of the Movio software are either or both of the following:

- based on variables such as the number of members or customers on a database or the number of site locations; and
- paid annually based on fixed fee with contracted terms (typically two years).

The licence fee is a recurring annual fee payable whilst the software is still in use. Movio are not anticipating losing any major customers in the PFI Period.

Other exhibitor's fees include fees for outgoing communications, through email distribution, survey monkey and social media. A chart showing the split between the type of revenue receivable from cinema exhibitors in the PFI Period is below.

**TABLE 6: ANALYSIS OF LICENCE AND OTHER EXHIBITOR REVENUE BY TYPE**



The growth in “per member” licence fees is due to the targeted growth of Movio in the USA where this type of fee arrangement is more common.

Revenue is currently being generated from email distribution. The social media and the survey monkey distribution tools are currently being constructed by Movio and are anticipated to be available in August 2014 and November 2014 respectively. The service offerings are in response to demand from cinema exhibitors for these kinds of distribution tools.

Revenue from cinema exhibitors has been determined in the PFI as follows:

- expected revenues by service offering have been assigned to new and existing customers;
- for existing customers revenues are based on contracted licence fee agreements with estimates for the variable portions based on growth projections. Where a contract ends in the PFI period it assumes the contract will roll over on terms similar to the existing contracts; and
- for new customers a probability weighting has been assigned to the expected revenues to reflect the level of uncertainty in securing the contract. With a few minor exceptions only new customers, where there is a probability of 50% or more, have been included in the PFI revenues.

Project revenues predominantly relate to research and development projects for existing customers and the development of the Numero product. Services revenues relate to income from the recharge of software development, consultancy and training.



**PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)****Expenses**

Total Pro Forma expenses are forecast to increase over the PFI period from \$29.7 million in FY13 to \$40.6 million in FY14F and to \$48.3 million in FY15F. Almost 70% of Pro Forma expenses are wage costs in FY14F.

Pro Forma expenses are presented in the table below:

**Table 7: Pro Forma Expenses**

CURRENCY: NZ\$000	NOTES	FY11 PRO FORMA	FY12 PRO FORMA	FY13 PRO FORMA	FY14F PRO FORMA	FY15F STATUTORY
Sales and marketing expenses		1,262	1,526	2,555	2,878	3,786
Operating expenses		12,423	15,925	18,087	24,603	29,163
Administration expenses		6,858	7,488	9,060	13,135	15,402
<b>Total expenses</b>		<b>20,543</b>	<b>24,939</b>	<b>29,702</b>	<b>40,616</b>	<b>48,351</b>
Comprised:						
Services		2,129	2,798	4,115	7,065	9,355
Development		5,162	6,566	8,401	11,340	12,964
Admin and other		3,923	5,441	6,593	8,978	10,443
Labour contracted		1,399	1,422	1,028	1,253	1,361
Total Employee costs		12,613	16,227	20,137	28,636	34,123
Distribution and other costs		3,731	5,139	4,545	4,944	5,483
Sales and marketing expenses		1,262	1,526	2,555	2,878	3,786
Others		3,400	2,525	3,111	4,842	5,643
(less: Grant income)		(463)	(478)	(646)	(684)	(684)
<b>Total expenses</b>		<b>20,543</b>	<b>24,939</b>	<b>29,702</b>	<b>40,616</b>	<b>48,351</b>

Additional sales and marketing costs (which include travel costs) were incurred in FY13 as a result of Vista Group rebranding, the establishment of Veezi's marketing collateral, the bi-annual customer conference and a general push to expand and support the sales effort internationally. The ongoing increases in FY14F and FY15F are to support and enhance the sales focus of the Group as it moves from its existing cinema industry focus to a wider film industry focus.

Employee costs have risen in line with actual and forecast growth in staff numbers. Staff numbers across Development, Services and Administration have increased from FY13 to FY15F to support growth, particularly in the new Group businesses (Movio, Veezi and Numero) and to ensure the Group has the capability to execute on new contracts won.

Operating expenses comprise employee costs (services, development and labour contracted) and distribution and other costs. Operating expenses in the forecast period are based on assumed FTE by expense type as disclosed below in a manner consistent with Vista's business model and growth forecasts throughout the forecast period.

Pro Forma employee FTE's from FY11 to FY15F are presented in the following table:

**Table 8: Pro Forma FTE's by Type**

NO: (AT END OF YEAR)	FY11	FY12	FY13	FY14F	FY15F
<b>VES</b>					
Services	34	49	63	88	100
Development	37	50	59	88	95
Administration & sales	20	28	29	40	44
Contractors	10	5	6	3	5
	<b>101</b>	<b>132</b>	<b>157</b>	<b>219</b>	<b>244</b>
<b>Movio</b>	<b>4</b>	<b>7</b>	<b>25</b>	<b>52</b>	<b>69</b>
<b>MACCS</b>	<b>33</b>	<b>35</b>	<b>37</b>	<b>40</b>	<b>45</b>
<b>Total employee FTEs</b>	<b>138</b>	<b>174</b>	<b>219</b>	<b>311</b>	<b>358</b>

FTE's are based in New Zealand, the UK, the USA, the Netherlands and China. The strongest growth in FTE's is assumed to be in the USA (from 28 FTE's in FY13 to 48 in FY15F) but approximately 50% growth in FTE's is also assumed in New Zealand, the UK and China offices.

As at May 2014 the Vista Group had 256 FTE's.

#### EBITDA by division

The following table shows Pro Forma EBITDA split between business units.

**Table 9: EBITDA by business unit**

GROUP					
NZ\$000	FY11 PRO FORMA	FY12 PRO FORMA	FY13 PRO FORMA	FY14F PRO FORMA	FY15F STATUTORY
VES (including BMS) Cinema and distributor software <sup>31</sup>	4,686	8,972	9,392	8,915	11,095
Data Analytics (Movio)	(211)	(184)	(424)	370	2,101
<b>Total Pro Forma EBITDA<sup>32</sup></b>	<b>4,475</b>	<b>8,788</b>	<b>8,968</b>	<b>9,285</b>	<b>13,196</b>

The Vista Group has invested for growth and future revenue generating opportunities over FY13 and FY14F. This has seen a growth in FTE numbers to support new customers coming on stream as well as in additional products (Veezi, Maccsbox and Movio) where development costs are expensed and revenue is yet to be generated.

#### Dividends

The Vista Group's dividend policy is to distribute 30% to 50% of profit subject to immediate and future growth opportunities. At present, the Vista Group does not intend to pay any further dividend in FY14F or FY15F, but instead to use the capital to execute on growth opportunities.

The Directors will monitor the Group's projected cashflow and capital requirements and will review this policy on an annual basis.

A dividend of \$3.5 million has been paid in FY14F to Existing Shareholders, prior to the listing date.

#### Taxation

The Vista Group expects to be profitable across the PFI Period. Tax expenses have been calculated based on current rates in the regions where the profit is anticipated to be made.

<sup>31</sup> Vista Entertainment Solutions and MACCS (including non-controlling interest).

<sup>32</sup> Excluding Offer costs.

**PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)****Debt, investments and interest rates**

It is assumed that a Euro denominated loan is drawn to pay for the initial 25.1% of the MACCS shares. No capital repayments are assumed in respect of the loan through the PFI Period. Interest is paid at 3.13%, although proceeds from the Offer will be set aside to cover this loan, creating a partial hedge.

Surplus cash balances will be placed in a short term deposit as appropriate to earn interest. The PFI assumes an interest rate of 4.25%.

**Working capital**

The nature of the Vista Group's product and maintenance agreements means the business usually operates with a net working capital assets. December in particular is a month where a large quantum of pre-billing is performed and hence debtors and creditors tend to be higher in December when compared to the rest of the year.

The PFI period assumes that trade debtors and trade payables will be consistent with the historical period.

As at 31 December 2013, the Vista Group had net working capital (trade and other receivables less trade and other payables) of \$1.3 million. At 31 December 2014 this is forecast to increase to \$1.8 million. At 31 December 2015 it is assumed that trade and other payables exceed trade and other receivables by \$0.6 million.

**Capital expenditure**

Capital expenditure in the PFI Period largely consists of purchases of fixtures and fittings and computer equipment, and is driven by increases in headcount. Capital expenditure in FY14F is \$1.9 million and \$1.18 million in FY15F.

**Research and development costs**

Research costs are expensed as incurred.

Development costs that meet the recognition criteria under NZ IAS 38: Intangibles are capitalised. Historically, a substantial portion of development costs have been incurred maintaining and making minor modifications to the existing software. On this basis these costs have not been capitalised.

It is assumed that all development costs, except \$0.8 million of development costs in each of FY14 and FY15 included within Numero, are of a similar nature to those costs expensed in the historical period.

**Capital raising costs**

It is assumed that the Vista Group will receive gross proceeds of \$40 million from the Offer.

Of the \$3.6 million in costs paid by the Group, \$1.9 million has been allocated to the costs associated with raising new share capital and recognised as a reduction of equity. The remaining \$1.7 million has been allocated to the sale of existing share capital and expensed in the Income Statement.

**Foreign exchange**

Approximately 98% of the Vista Group's revenues are denominated in overseas currencies, with approximately 50% of costs also denominated in overseas currencies.

Foreign exchange been assumed at the following rates for the PFI Period: USD .85, GBP .51, EUR .62, AUD .92 and RMB 5.1.

The following table shows the revenue exposure by currency.

**Table 10: Revenue Exposure to Foreign Currency in the PFI Period**

CURRENCY: NZ\$000	% of Revenue			
	FY14F	FY15F	FY14F	FY15F
USD	20,929	29,273	46%	48%
GBP	14,212	15,098	31%	25%
EUR	5,435	9,500	12%	15%
AUD	1,124	2,793	2%	5%
RMB	2,483	3,774	5%	6%
<b>Total foreign currency</b>	<b>44,183</b>	<b>60,439</b>	<b>98%</b>	<b>98%</b>
NZD	1,061	1,108	2%	2%
<b>Total Revenue per invoices/PFI</b>	<b>45,244</b>	<b>61,547</b>	<b>100%</b>	<b>100%</b>

**Contingent Assets and Liabilities**

There are no known contingent assets and liabilities year ended 31 December 2013. There has been no change in the nature or status of these contingent assets and liabilities and there are no other known material contingent assets or liabilities as at the date of this Offer.

**Consolidated PFI**  
**Prospective Statement of Comprehensive Income**

12 MONTHS ENDING 31 DECEMBER (\$000)	FY14F FORECAST PRO FORMA	FY14F FORECAST STATUTORY	FY15 FORECAST STATUTORY
<b>NZ\$000</b>			
<b>Revenue</b>	<b>49,901</b>	<b>45,244</b>	<b>61,547</b>
Sales and marketing expenses	(2,878)	(2,708)	(3,786)
Operating expenses	(24,604)	(22,045)	(29,163)
Administration expenses	(13,134)	(11,548)	(15,402)
Total expenses	(40,616)	(36,301)	(48,351)
<b>EBITDA</b>	<b>9,285</b>	<b>8,943</b>	<b>13,196</b>
Depreciation and amortisation		(958)	(1,355)
<b>EBIT (before Offer costs)</b>		7,985	11,841
Offer costs		(1,708)	-
<b>EBIT</b>		<b>6,277</b>	<b>11,841</b>
Finance costs		(465)	(682)
Finance income		487	1,269
Share of profit/(loss) from associates		(348)	18
<b>Net Profit before taxation</b>		<b>5,951</b>	<b>12,446</b>
Taxation expense		(2,204)	(3,309)
<b>Net Profit after tax</b>		<b>3,747</b>	<b>9,137</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year attributable for:</b>		-	-
Non-Controlling Interests		307	1,031
Owners of the Company		3,440	8,106
<b>Total comprehensive income for the year</b>		<b>3,747</b>	<b>9,137</b>

**Summary of non GAAP items**

12 MONTHS ENDING 31 DECEMBER (\$000)	FY14F FORECAST STATUTORY	FY15F FORECAST STATUTORY
<b>NZ\$000</b>		
<b>EBITDA (before Offer costs)</b>	<b>8,943</b>	<b>13,196</b>
Depreciation	(574)	(733)
<b>EBITA (before Offer costs)</b>	<b>8,369</b>	<b>12,463</b>
Non-Controlling Interest	(307)	(1,031)
Net interest income	22	587
Share of profit/(loss) from associates	(348)	18
Taxation expense	(2,312)	(3,483)
<b>NPATA (excluding Offer costs)</b>	<b>5,424</b>	<b>8,554</b>

**PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)****Prospective Statement of Changes in Equity**

12 MONTHS ENDING 31 DECEMBER \$000 NZ\$000	ISSUED CAPITAL	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON- CONTROLLING INTERESTS	TOTAL EQUITY
<b>Balance at 1 January 2013</b>	1,100	(40)	11,273	12,333	-	12,333
Net profit after tax for the period	-	-	3,440	3,440	307	3,747
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	3,440	3,440	307	3,747
Equity attributable to NCI	-	-	-	-	7,959	7,959
Acquisition of subsidiary	-	-	(762)	(762)	-	(762)
<b>Transactions with shareholders</b>						
Contribution by new shareholders from the issue of new share capital	40,000			40,000		40,000
Dividends paid to shareholders		-	(3,500)	(3,500)		(3,500)
IPO and listing costs charged against equity	(1,940)	-		(1,940)		(1,940)
Increase in share based deferred consideration	6,825	-		6,825		6,825
<b>Closing balance 31 December 2014</b>	45,985	(40)	10,451	56,396	8,266	64,662
Net profit after tax for the period	-	-	8,106	8,106	1,031	9,137
Other comprehensive income	-	34	-	34	-	34
<b>Total comprehensive income for the period</b>	-	34	8,106	8,140	1,031	9,171
Equity attributable to NCI	-	-	-	-	(191)	(191)
<b>Closing balance at 31 December 2015</b>	45,985	(6)	18,557	64,536	9,106	73,642

## Prospective Statement of Financial Position

AS AT 31 DECEMBER NZ\$000	FY14F FORECAST STATUTORY	FY15F FORECAST STATUTORY
<b>Current assets</b>		
Cash and cash equivalents	32,098	43,530
Trade and other receivables	16,548	19,534
<b>Total current assets</b>	48,646	63,064
<b>Non-current assets</b>		
Property plant and equipment	2,697	3,091
Investment in associates	162	216
Intangible assets	6,672	6,050
Goodwill	33,972	33,972
<b>Total non-current assets</b>	43,503	43,329
<b>Total Assets</b>	92,149	106,393
<b>Current liabilities</b>		
Trade and other payables	14,730	20,106
Income tax payable	264	481
Loans and borrowings	629	-
Deferred Consideration	-	3,047
<b>Total current liabilities</b>	15,623	23,634
<b>Non-current liabilities</b>		
Deferred consideration	5,173	2,600
Deferred tax liability	1,868	1,694
Loans and borrowings	4,823	4,823
<b>Total non-current liabilities</b>	11,864	9,117
	27,487	32,751
<b>Net Assets</b>	64,662	73,642
<b>Equity</b>		
<b>Equity attributable to owners of the parent:</b>		
Share Capital	45,985	45,985
Retained earnings	10,411	18,551
<b>Total equity</b>	56,396	64,536
Non-controlling interest	8,266	9,106
<b>Total equity and non-controlling interest</b>	64,662	73,642

**PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)****Prospective Statement of Cash Flow**

12 MONTHS ENDING 31 DECEMBER \$000 NZ\$000	FY14F FORECAST STATUTORY	FY15F FORECAST STATUTORY
<b>Cash flows from operating activities</b>		
Receipts from customers	44,354	59,275
Interest received	486	1,269
Payments to suppliers	(34,935)	(44,032)
Listing costs	(1,708)	-
Interest paid	(239)	(207)
Income taxes paid	(1,800)	(2,912)
<b>Net cash flows from operating activities</b>	<b>6,158</b>	<b>13,393</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(13,677)	-
Purchase of property, plant and equipment	(1,799)	(1,127)
<b>Net cash flows from investing activities</b>	<b>(15,476)</b>	<b>(1,127)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares, net of transaction costs	38,060	-
Proceeds from borrowings	4,823	-
Repayment of borrowings	(1,117)	(584)
Dividends paid	(3,786)	(250)
<b>Net cash flows from financing activities</b>	<b>37,980</b>	<b>(834)</b>
Net (decrease) / increase in cash	28,662	11,432
Cash and cash equivalents at start of the period	3,436	32,098
<b>Closing cash and cash equivalents at end of the period</b>	<b>32,098</b>	<b>43,530</b>

Management intends to seek further growth opportunities utilising the Group's cash balance. These may include acquiring competitors, new business opportunities in the film industry, expansion of the Group's Big Data activities or other opportunities that present strategic and commercial benefits to the Group.



## Sensitivity Analysis

### Introduction to sensitivities

PFI is inherently subject to uncertainty and accordingly actual results are likely to vary from PFI and this variation could be material. You can find a full description of the assumptions relating to the PFI for FY14F and FY15F under the heading “General and Specific Assumptions”, along with a description of risks in *Section 6: What are my Risks?* of the Prospectus.

The sensitivity analysis below is provided to assist you with assessing the potential effects of variations in certain key assumptions (defined as those most likely to materially affect results).

The sensitivity for each assumption is not intended to be indicative or predictive of the possible range of outcomes. The sensitivity has been applied to show the effect on forecast revenue and profit before taxation.

Each movement in an assumption is calculated and presented in isolation from possible movements in other assumptions (i.e. when the assumption is sensitised, all other things remain equal).

Sensitivities have been modelled for each specific assumption and an explanation of each is below.

### Foreign exchange

The Vista Group generates revenue and incurs expenses in a number of foreign currencies. The foreign currency rates used in the PFI are described under the heading “Specific Assumptions”. USD makes up approximately 50% of the Vista Group’s foreign currency exposure. Accordingly, the sensitivity of revenue and operating income to a +/- 5% movement in USD and a further +/- 5% movement in all foreign currencies is shown below.

The impact on FY14F is limited by prepaid revenue and the limited period of the year remaining.

### Number of sites and average licence fee per site

The number of projected new sites and average licence fee per site, have been sensitised to a +/- 5% movement. The sensitivity has been calculated on all sites including ones that are contracted. The profit impact is marginally different to revenue due to the impact of distribution payments.

### Operating expenses

Operating expenses consisting of staff related costs and other overheads have been sensitised to a +/- 5% movement which reflects both movements in wage costs and timing variations in the employment of assumed personnel.

### Sensitivity analysis

CURRENCY: NZ\$000	INCREASE/ DECREASE	IMPACT ON FY14F	IMPACT ON FY15F
<b>Revenue</b>			
Foreign exchange - USD	5%/(5%)	+/- 404	+/- 1,464
Foreign exchange - All currencies	5%/(5%)	+/- 853	+/- 3,022
Number of sites	5%/(5%)	+/- 313	+/- 622
Average licence fee per site	5%/(5%)	+/- 313	+/- 622
Operating expenses	5%/(5%)	-	-
<b>Net Profit before tax</b>			
Foreign exchange - USD	5%/(5%)	+/- 115	+/- 850
Foreign exchange - All currencies	5%/(5%)	+/- 286	+/- 1,783
Number of sites	5%/(5%)	+/- 293	+/- 564
Average licence fee per site	5%/(5%)	+/- 293	+/- 564
Operating expenses	5%/(5%)	+/- 869	+/- 2,018

## HOW DO I APPLY?

If you are applying under the Broker Firm Offer, please complete the blank Application Form at the back of this Investment Statement in accordance with the instructions on the Application Form.

You can either complete the Application Form to authorise a one-time direct debit from your bank account or attach a cheque to your Application Form as payment for your Shares. You should complete the Application Form in accordance with the instructions on the Application Form

Your Application Form should be returned to your NZX Firm to enable forwarding to the Registrar by 12.00pm (noon) on 1 August 2014. Alternatively, Applications can be lodged with the Vista Group, any NZX Firm, the Lead Manager or any other channel approved by NZX so as to be received in time to enable forwarding to the Registrar by 12.00pm (noon) on 1 August 2014.

## THE APPLICATION FORM

### A – Investor Details

Insert your full name(s), address and telephone numbers. Applications must be in the name(s) of natural persons, companies or other legal entities, up to a maximum of three names per application. Use the table below to see how to write your name correctly.

TYPE OF INVESTOR:	CORRECT WAY TO WRITE NAME:	INCORRECT WAY TO WRITE NAME:
Individual person	JOHN SMITH	J SMITH
More than one person	JOHN SMITH MICHELLE SMITH	J & M SMITH
Company	ABC LIMITED	ABC
Trusts	JOHN SMITH (JOHN SMITH FAMILY A/C)	SMITH FAMILY TRUST
Partnerships	JOHN SMITH MICHAEL SMITH (JOHN SMITH AND SONS A/C)	JOHN SMITH & SONS
Clubs and unincorporated associations	JANE SMITH (SMITH INVESTMENT CLUB A/C)	SMITH INVESTMENT CLUB
Superannuation funds	JOHN SMITH LIMITED (SUPERANNUATION FUND A/C)	JOHN SMITH SUPERANNUATION FUND

By supplying your mobile number you consent that the Registry, Link Market Services, may advise you by TXT Alerts (post-allotment) of any changes on your holding balance, or if your bank account details or address on register change, or if a new / replacement FIN has been requested. This feature provides additional security to you as an investor.

### B – Application Payment

Applications must be accompanied by payment in full for the dollar amount of Shares applied for. Your payment must be made in accordance with the directions of the NZX Firm from whom you received an allocation.

Complete the application amount applied for. Note the application minimum and multiple amounts stated in the Application Form. Please advise

payment method and bank account details for future dividend payments.

Payment must be made in New Zealand dollars for immediate value, by bank draft in New Zealand dollars, or a cheque drawn on a New Zealand bank account (or, if the application is for Shares of an aggregate subscription amount of \$500,000 or more, by bank cheque), or direct debit, or through the NZClear system (institutional investors only) by prior arrangement.

If the NZX Firm from whom you received your allocation has given directions as to another method of payment, other than payment by cheque or direct debit, select this option. You should follow these instructions.

### Option 1: One-time Direct Debit

If you choose the direct debit option you must tick the box authorising the Registrar to direct debit the bank account nominated on the Application Form, **on the day the Application Form is received** by the Registrar, for the amount applied for on the Application Form. The bank account must be with a New Zealand registered bank. You cannot specify a direct debit date and you must ensure that:

- the bank account details supplied are correct;
- the application funds in the bank account for direct debit are available on the day the Registrar receives the Application Form;
- the person(s) giving the direct debit instruction has/have the authority to operate the account solely/jointly; and
- the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

Should your direct debit fail, your Application will be rejected. If requested, a direct debit authority form will be provided to you by the Registrar. Refer to the contact details on the Application Form.

### Option 2: Cheque or Bank draft

If you choose to pay by cheque or Bank draft your cheque should be made payable to "Vista Group Share Offer", be crossed "Not Transferable" and **not** be post dated.

Your cheque will be banked on the Business Day it is received. If your cheque is post dated or dishonoured, your Application may be rejected.

### Option 3: Other

Investors who are members of NZClear may, by prior arrangement with the Registrar, settle their applications for the Shares on the Issue Date through the NZClear system.

### C - Holder Number Details

If you have other investments registered under a Common Shareholder Number ("CSN") you must supply your CSN in the space provided. The name and address details on your Application Form must correspond with the registration details under that CSN. If you do not provide a CSN it will be deemed that you do not have a current CSN and a new CSN and Identification number (FIN) will be allocated to you at allotment of the shares.

### F - Signing And Dating

Read the Investment Statement and Application Form carefully and sign and date the Application Form.

The Application Form must be signed by you personally, or if a company by two directors of a company (or one director if there is only one director), or in either case by a duly authorised attorney or agent. Joint applicants must each sign the Application Form.



## **G - Closing Date and Delivery**

This Offer will close at 12.00pm on 1 August 2014 (being the Closing Date). You should remember that the Closing Date may be changed at the sole discretion of the Issuers. Changes will be advised by NZX announcement. The Issuers reserve the right to refuse to accept Applications received by the Registrar after the Closing Date. Your Application Form should be delivered in accordance with the instructions contained in the Application Form.

## **H - Power Of Attorney**

If the Application Form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney on the reverse of the Application Form.

## **I - Agent**

If the Application Form is signed by an agent, the agent must complete the certificate of non-revocation of agent on the reverse of the Application Form.

## **Submitting Your Application**

You will not be able to reverse or change your Application after it has been submitted. By submitting an Application you agree to purchase and subscribe for the number of Shares you specify in your Application Form on the terms and conditions set out in this Investment Statement (including the Application Form) and the Prospectus.

## **Treatment of Application**

The return of an Application Form with your cheque for the application moneys will constitute your offer to purchase or subscribe for Shares and once lodged your application is irrevocable and cannot be withdrawn. If your Application Form is not completed correctly, or if the accompanying payment is the wrong amount, it may still be treated as valid.

The decision of the Issuers as to whether to treat your Application Form as valid, and how to construe, amend or complete it, shall be final. The decision on the number of Shares to be allocated or transferred to you shall also be final. You will not, however, be treated as having agreed to purchase a greater value of Shares than that for which payment has been made.

Investors applying whose Applications are not accepted, or are accepted in respect of a lesser value of Shares than the amount for which they

applied, will receive a refund of all or part of their Application Moneys without interest, as applicable. Allocations, if rounded, will be rounded down to the nearest whole number of Shares. Refunds will not be paid for any difference arising solely due to rounding and will be paid within 5 Business days after the Allotment Date of the shares. Refunds will be paid in the manner you elect any future dividend payments to be paid.

## **Privacy Policy**

If you apply for Shares, you will be asked to provide personal information to the Issuers, the Registrar and their respective agents who will collect and hold the personal information provided by you in connection with your Application. Your personal information will be used for considering, processing and corresponding with you about your Application and in connection with your holding of Shares, including sending you information concerning the Vista Group, your Shares and other matters the Vista Group considers may be of interest to you by virtue of your holding of Shares. To do these things, the Issuers or the Registrar may disclose your personal information to each other, their respective related companies and agents, contractors or third party service providers to whom they outsource services such as mailing and registry functions. However, all of these parties will be bound by the same privacy policies as the Issuers and the Registrar.

In addition, if you elect to pay by one-time direct debit, the Registrar will communicate with your nominated bank (including providing your personal information) for the purposes of processing your payment.

Failure to provide the required personal information may mean that your Application Form is not able to be processed efficiently, if at all.

Where the Issuers and the Registrar hold personal information about you in such a way that it can be readily retrieved, you have a right to obtain from the Issuers and the Registrar confirmation of whether or not they hold such personal information, and to access and seek correction of that personal information under the Privacy Act 1993 by contacting the privacy officers of the Issuers and the Registrar at their respective addresses shown in the Directory. You can also access your information on the Registrar's website: [www.linkmarketservices.co.nz](http://www.linkmarketservices.co.nz) (you will be required to enter your CSN and Authorisation Code ("FIN") for secure access.).

Attach  
cheque  
here

Broker Stamp

## BROKER FIRM OFFER APPLICATION FORM

### VISTA GROUP SHARE OFFER

This Application Form is issued with the Investment Statement dated and prepared as at 3 July 2014 for the Offer of fully paid ordinary shares in Vista Group International Limited. This Application Form represents an offer to purchase the Shares described in the Investment Statement and Prospectus. Any capitalised terms used in this Application Form but not defined have the same meaning as given to those terms in the Investment Statement.

**FOR INSTRUCTIONS ON HOW TO COMPLETE AND DELIVER THIS FORM SEE THE ACCOMPANYING APPLICATION INSTRUCTIONS.**

#### A. APPLICANT DETAILS AND INFORMATION - PLEASE PRINT IN BLOCK LETTERS

First Name(s):	Family Name:
First Name(s):	Family Name:
First Name(s):	Family Name:
Company Name or On Account:	
Postal Address:	
Mobile Telephone:	Daytime Telephone:

I/we have received the Vista Group Investment Statement dated 3 July 2014. I/we apply for Shares as set out below subject to the terms and conditions of the Investment Statement. By lodging this Application Form, I consent to the use of my personal information in accordance with the Privacy Policy set out in above under the heading "How do I apply?" of the Investment Statement.

#### B. APPLICATION PAYMENT

Applications must be accompanied by payment in full. Payment must be either by cheque or bank draft payable to "Vista Group Share Offer" and crossed "Not Transferable", OR by direct debit by completing the bank account section below (New Zealand investors only) OR as per the instruction from your financial advisor who provided you with this Investment Statement. Payment must be in New Zealand dollars. Your application and payment must be received by Link Market Services by 12.00pm noon NZT, 1 August 2014 (or such other date as the Vista Group may determine in its sole discretion).

Applications must be for a minimum of 2000 Shares. The Issuer may accept or reject all or part of this application without giving reason.

Number of Shares:	Price	Amount payable
<input type="text"/>	X \$NZ <input type="text"/>	= \$ <input type="text"/>

You may choose only ONE of the payment options below. Please tick the box next to your selected option.

<input type="checkbox"/>	<b>OPTION 1:</b> (Investors with a New Zealand bank account only) Please direct debit my bank account stated below for the amount of Shares applied for above (or any lesser amount as determined by the Issuers). By ticking this box and signing this Application Form I agree that the Share Registrar is authorised to direct debit my bank account for the full amount of Shares applied for
<input type="checkbox"/>	<b>OPTION 2:</b> Please find attached my payment by cheque or bank draft. I have supplied my bank account details below for the purpose of direct crediting of any future dividends paid by the Issuer.
<input type="checkbox"/>	<b>OPTION 3:</b> Authorised institutional investors only. Payment will be made by NZClear as arranged with the Share Registrar.

Please provide New Zealand dollar bank account details for direct debit (if you selected Option 1) and/or direct credit of future dividend payments. If you wish to have your dividends paid into a different bank account that the one provided below for direct debit purposes, you need to advise Link Market Services of the account details in writing.

Name of Bank:			
Name of Account:			
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BANK	BRANCH	ACCOUNT	SUFFIX

FOR for the purpose of dividend payments only: Direct credit to my Cash Management Account:

Name of NZX Firm where Cash Management Account is held:
Cash Management Account number: <input type="text"/>

#### C. COMMON SHAREHOLDER NUMBER (CSN)

A CSN is required to trade the Shares on the NZX Main Board once the Offer has closed and the Shares have been allotted. Your CSN must be in the same name(s) as those of the applicants on this form otherwise a new CSN will be allocated. If you do not have a CSN, you will be allocated a CSN and Authorisation Code (FIN) at Allotment of your Shares.

If you have a CSN, please enter it here: <input type="text"/>
---

#### D. TAX DETAILS

Only one IRD number is required in respect of a joint application

☐ Please tick this box if you hold an **RWT exemption certificate** from the IRD and attach a copy of your RWT exemption certificate.

☐ Please tick this Box if you are a non-resident for NZ tax purposes; under the Income Tax Act 2007. You will be treated as a NZ tax resident unless this box is ticked.

Country of Residence for Tax Purposes:

#### E. ELECTRONIC CORRESPONDENCE AND REPORTING

##### I agree to receive Shareholder Communications via email

Please enter your email address below if you wish to receive, all shareholder communications where possible by email. If you do not provide an email address, investor correspondence will be mailed to you at the address provided on this Application Form.

#### F. SIGNATURE(S) OF APPLICANTS

I/we hereby acknowledge that I/we have received and read the Investment Statement, including the application instructions, and apply for the number of fully paid ordinary shares as set out above and agree to accept such Shares (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the Investment Statement and application instructions. All applicants on the Application Form must sign.

DATE

#### G. SEND APPLICATION FORM AND PAYMENT TO YOUR FINANCIAL ADVISOR FROM WHO YOU RECEIVED THIS APPLICATION AS PER THE INSTRUCTIONS RECEIVED FROM YOUR ADVISOR. YOUR APPLICATION MUST BE RECEIVED BY THE REGISTRAR, LINK MARKET SERVICES BY NO LATER THAN: 12.00pm on 1 August 2014

Please contact Link Market Services if you have any questions on how to complete this Application Form

##### Link Market Services contact details:

PO Box 91976, Auckland 1142

Investor contact number: +64 9 375 5998

Website: [www.linkmarketservices.co.nz](http://www.linkmarketservices.co.nz)

Level 7, Zurich House, 21 Queen Street, Auckland 1010

Fax: +64 9 375 5990

## H. CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

Complete this section if you are acting on behalf of the Applicant on this Application Form for whom you have power of attorney

I, \_\_\_\_\_

Of \_\_\_\_\_

### Hereby Certify:

1. That by a Power of Attorney dated the \_\_\_\_\_ day of \_\_\_\_\_

The Donor, \_\_\_\_\_

Of, \_\_\_\_\_

appointed me his/her/its Attorney on the terms and conditions set out in the Power of Attorney.

2. THAT I have executed the application for Shares printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me.

3. THAT at the date of this certificate I have not received notice of any event revoking that Power of Attorney.

Signed at: \_\_\_\_\_ This \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature Of Attorney \_\_\_\_\_

## I. CERTIFICATE OF NON-REVOCATION OF AGENT

Complete this section if you are acting as Agent on behalf of the Applicant on this Application Form.

I, \_\_\_\_\_

Of \_\_\_\_\_

### Hereby Certify:

1. That by the Agency Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_

The Donor, \_\_\_\_\_

Of, \_\_\_\_\_

appointed me his/her/its Agent on the terms and conditions set out in the Agreement.

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3. THAT at the date of this certificate I have not received any notice or information of the revocation of my Appointment as Agent.

Signed at: \_\_\_\_\_ This \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature Of Agent \_\_\_\_\_



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Attach  
cheque  
here

Broker Stamp

## BROKER FIRM OFFER APPLICATION FORM

### VISTA GROUP SHARE OFFER

This Application Form is issued with the Investment Statement dated and prepared as at 3 July 2014 for the Offer of fully paid ordinary shares in Vista Group International Limited. This Application Form represents an offer to purchase the Shares described in the Investment Statement and Prospectus. Any capitalised terms used in this Application Form but not defined have the same meaning as given to those terms in the Investment Statement.

**FOR INSTRUCTIONS ON HOW TO COMPLETE AND DELIVER THIS FORM SEE THE ACCOMPANYING APPLICATION INSTRUCTIONS.**

#### A. APPLICANT DETAILS AND INFORMATION - PLEASE PRINT IN BLOCK LETTERS

First Name(s):	Family Name:
First Name(s):	Family Name:
First Name(s):	Family Name:
Company Name or On Account:	
Postal Address:	
Mobile Telephone:	
Daytime Telephone:	

I/we have received the Vista Group Investment Statement dated 3 July 2014. I/we apply for Shares as set out below subject to the terms and conditions of the Investment Statement. By lodging this Application Form, I consent to the use of my personal information in accordance with the Privacy Policy set out in above under the heading "How do I apply?" of the Investment Statement.

#### B. APPLICATION PAYMENT

Applications must be accompanied by payment in full. Payment must be either by cheque or bank draft payable to "Vista Group Share Offer" and crossed "Not Transferable", OR by direct debit by completing the bank account section below (New Zealand investors only) OR as per the instruction from your financial advisor who provided you with this Investment Statement. Payment must be in New Zealand dollars. Your application and payment must be received by Link Market Services by 12.00pm noon NZT, 1 August 2014 (or such other date as the Vista Group may determine in its sole discretion).

Applications must be for a minimum of 2000 Shares. The Issuer may accept or reject all or part of this application without giving reason.

Number of Shares:	Price	Amount payable
<input type="text"/>	X \$NZ <input type="text"/>	= \$ <input type="text"/>

You may choose only ONE of the payment options below. Please tick the box next to your selected option.

<input type="checkbox"/>	<b>OPTION 1:</b> (Investors with a New Zealand bank account only) Please direct debit my bank account stated below for the amount of Shares applied for above (or any lesser amount as determined by the Issuers). By ticking this box and signing this Application Form I agree that the Share Registrar is authorised to direct debit my bank account for the full amount of Shares applied for
<input type="checkbox"/>	<b>OPTION 2:</b> Please find attached my payment by cheque or bank draft. I have supplied my bank account details below for the purpose of direct crediting of any future dividends paid by the Issuer.
<input type="checkbox"/>	<b>OPTION 3:</b> Authorised institutional investors only. Payment will be made by NZClear as arranged with the Share Registrar.

Please provide New Zealand dollar bank account details for direct debit (if you selected Option 1) and/or direct credit of future dividend payments. If you wish to have your dividends paid into a different bank account than the one provided below for direct debit purposes, you need to advise Link Market Services of the account details in writing.

Name of Bank:			
Name of Account:			
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BANK	BRANCH	ACCOUNT	SUFFIX

FOR for the purpose of dividend payments only: Direct credit to my Cash Management Account:

Name of NZX Firm where Cash Management Account is held:
Cash Management Account number:

#### C. COMMON SHAREHOLDER NUMBER (CSN)

A CSN is required to trade the Shares on the NZX Main Board once the Offer has closed and the Shares have been allotted. Your CSN must be in the same name(s) as those of the applicants on this form otherwise a new CSN will be allocated. If you do not have a CSN, you will be allocated a CSN and Authorisation Code (FIN) at Allotment of your Shares.

If you have a CSN, please enter it here:
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#### D. TAX DETAILS

Only one IRD number is required in respect of a joint application

☐ Please tick this box if you hold an **RWT exemption certificate** from the IRD and attach a copy of your RWT exemption certificate.

☐ Please tick this Box if you are a non-resident for NZ tax purposes; under the Income Tax Act 2007. You will be treated as a NZ tax resident unless this box is ticked.

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DATE

#### G. SEND APPLICATION FORM AND PAYMENT TO YOUR FINANCIAL ADVISOR FROM WHO YOU RECEIVED THIS APPLICATION AS PER THE INSTRUCTIONS RECEIVED FROM YOUR ADVISOR. YOUR APPLICATION MUST BE RECEIVED BY THE REGISTRAR, LINK MARKET SERVICES BY NO LATER THAN: 12.00pm on 1 August 2014

Please contact Link Market Services if you have any questions on how to complete this Application Form

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Of \_\_\_\_\_

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Of, \_\_\_\_\_

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3. THAT at the date of this certificate I have not received notice of any event revoking that Power of Attorney.

Signed at: \_\_\_\_\_ This \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature Of Attorney \_\_\_\_\_

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Of \_\_\_\_\_

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Of, \_\_\_\_\_

appointed me his/her/its Agent on the terms and conditions set out in the Agreement.

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3. THAT at the date of this certificate I have not received any notice or information of the revocation of my Appointment as Agent.

Signed at: \_\_\_\_\_ This \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature Of Agent \_\_\_\_\_

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## DIRECTORY

### THE COMPANY

#### **Vista Group International Limited**

Level 3, 60 Khyber Pass Road  
Newton  
Auckland 1023

### OFFEROR

#### **Vista Group Holdings Limited**

Level 3, 60 Khyber Pass Road  
Newton  
Auckland 1023

### LEGAL ADVISERS TO THE COMPANY

#### **Chapman Tripp**

Level 35, ANZ Centre  
23-29 Albert Street  
Auckland 1010

#### **DLA Phillips Fox**

Level 22, DLA Phillips Fox Tower  
205 Queen Street  
Auckland 1010

### LEAD MANAGER AND ORGANISING PARTICIPANT

#### **Macquarie Securities (NZ) Limited**

Level 17, Lumley Centre  
88 Shortland Street  
Auckland 1010

### INVESTIGATING ACCOUNTANT

#### **Ernst & Young Transaction Advisory Services Limited**

2 Takutai Square  
Britomart  
Auckland 1010

### AUDITOR

#### **Grant Thornton**

Level 4, Grant Thornton House  
152 Fanshawe Street  
Auckland 1140

### REGISTRAR

#### **Link Market Services Limited**

PO Box 91976  
Auckland 1142

Level 7, Zurich House  
21 Queen Street  
Auckland

Phone: +64 9 375 5998  
Fax: +64 9 375 5990

