Vista Group International Limited

(Previously VSource Investments Limited)

Interim Report
30 June 2014

Contents

Vista Group International Limited

Commentary

The following information is released in accordance with the NZX Listing Rules. This information relates to Vista Group International Limited (previously named VSource Investments Limited and InVista Holdings Limited) for the six months to 30 June 2014. Vista Group International Limited ("Vista Group") lodged a prospectus on 3 July 2014 and listed on the NZX and ASX on 11 August 2014.

It should be noted that in both the six month periods, the Vista Group's reporting entities were different to the corporate entity that was presented in the prospectus and listed on 11 August 2014.

In the reporting period, the Vista Group comprised only Vista Entertainment Solutions Limited, Book My Show Ltd and MACCS International BV (25.1% from 1 April 2014) with Virtual Concepts Limited (trading as Movio) and Numero Limited being reported as associate companies. This is different to the group entity described in the prospectus, due to the increased shareholdings in MACCS International BV (increased to 50.1%) and Movio (increased to 100%).

The results for the interim 6 month trading period show an improvement in revenue over the 12 month trading period to 31 December 2013 of $4.2m. When comparing this with the same business as the comparative period (adjusted to exclude MACCS which was not invested in until February 2014) the revenue has increased by $2.7m. Trading profit has reduced due to increased costs in the period leading up to the listing of Vista Group.

In both 2012 and 2013 the weighting of revenue and profit was greater in the second half of the year. This was due to the timing of large projects. We expect the trend in 2014 to be similar.

Interim condensed statement of comprehensive income

	Notes	Unaudited Group 6 months ended 30 June 2014 $'000	Unaudited Group 6 months ended 30 June 2013 $'000
Revenue		17,429	13,191
Less expenses:			
Sales and marketing expenses		728	679
Operating expenses		9,078	6,413
Administration expenses		4,847	3,661
Depreciation and amortisation		340	176
Total expenses		14,993	10,928
Operating profit (before offer costs)		2,436	2,263
Offer costs		(248)	-
Operating profit (after offer costs)		2,188	2,263
Finance costs		(521)	(154)
Finance income		23	50
Share of loss from associates		(149)	(6)
Profit before tax		1,542	2,153
Tax expense		527	740
Profit after tax for the period		1,015	1,413
Other comprehensive income		-	-
Total Comprehensive Income		1,015	1,413
Total comprehensive income for the year is attributable to:			
Equity holders of the parent		899	1,413
Non-controlling interests		116	-
Total		1,015	1,413
Earnings per share (EPS):			
Basic profit for the period attributable to ordinary equity holders of the parent		$90	$141
Diluted profit for the period attributable to ordinary equity holders of the parent		$90	$141

The accompanying notes form part of these financial statements

Interim condensed statement of changes in equity

	Notes	Share capital $'000	Retained earnings $'000	Foreign Currency Translation Reserve $'000	Non controlling interests $'000	Unaudited Group Total equity $'000
Group						
Balance at 1 January 2013		1,100	9,963	(40)	-	11,023
Dividends	9	-	(2,885)	-	-	(2,885)
Foreign currency translation reserve		-	-	-	-	-
Profit for the period		-	1,413	-	-	1,413
Balance at 30 June 2013		1,100	8,491	(40)	-	9,551
Group						
Balance at 1 January 2014		1,100	11,273	(40)	-	12,333
Dividends	9	-	(3,552)	-	-	(3,552)
Foreign currency translation reserve		-	-	-	-	-
Profit for the period		-	899	-	116	1,015
Acquisition of subsidiary		-	-	-	12,779	12,779
Balance at 30 June 2014		1,100	8,620	(40)	12,895	22,575

The accompanying notes form part of these financial statements

Interim condensed statement of financial position

Assets	Notes	Unaudited Group 30 June 2014 $'000	Audited Group 31 December 2013 $'000
Current assets			
Cash and cash equivalents		3,219	3,436
Trade and other receivables		10,576	11,206
Income tax receivable		577	-
Deferred tax asset		-	145
Total current assets		14,372	14,787
Non-current assets			
Property, plant and equipment		1,565	1,102
Investment in associate		2,560	2,528
Intangible assets		4,999	86
Goodwill		17,650	5,446
Total non-current assets		26,774	9,162
Total assets		41,146	23,949
Liabilities			
Current liabilities			
Trade and other payables		11,406	9,908
Income tax payable		1,400	6
Loans and borrowings	**8**	926	1,203
Total current liabilities		13,732	11,117
Non-current liabilities			
Loans and borrowings	**8**	4,839	499
Total non-current liabilities		4,839	499
Total liabilities		18,571	11,616
Net assets		22,575	12,333
Equity			
Equity attributable to owners of the parent:			
Share capital		1,100	1,100
Retained earnings		8,620	11,273
Foreign currency revaluation reserve		(40)	(40)
Total equity attributable to owners of the parent		9,680	12,333
Non Controlling Interest		12,895	-
Total Equity		22,575	12,333

The accompanying notes form part of these financial statements

Interim condensed statement of cash flows

	Notes	Unaudited Group 6 month ended 30 June 2014 $'000	Unaudited Group 6 month ended 30 June 2013 $'000
Cash flow from operating activities			
Cash was provided from:			
Receipts from customers		18,970	13,070
Interest received		23	50
		18,993	13,120
Cash was applied to:			
Operating expenses		(13,161)	(10,232)
Listing costs		(248)	-
Taxes paid		(1,031)	(1,620)
Interest paid		(99)	(148)
		(14,539)	(11,999)
Net cash from operating activities	**10**	4,454	1,121
Cash flows from investing activities			
Cash was applied to:			
Purchase of fixed assets		(397)	(377)
Purchase of software		-	-
Purchase of investments, net of cash acquired		(4,838)	-
Net cash applied to investing activities		(5,234)	(377)
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowings		4,839	99
		4,839	99
Cash was applied to:			
Repayment of bank loans		(776)	(315)
Dividends paid		(3,500)	(2,850)
Net cash applied to financing activities		563	(3,066)
Net movement in cash held		(217)	(2,322)
Cash balance at 1 January		3,436	8,328
Foreign exchange differences		-	-
Cash balance at 30 June		3,219	6,006

The accompanying notes form part of these financial statements

Notes to the financial statements

1 Reporting Entity

Vista Group International Limited (the “Company”) is a profit orientated company incorporated and domiciled in New Zealand, registered under the Companies Act 1993.

The financial statements comprise Vista Group International Limited and its subsidiaries (collectively the “Group”) as at and for the six months ended 30 June 2014.

The Company was previously called VSource Investments Limited having changed its name on 18 June 2014.

The principal activity of the Group is the sale, support and associated custom development of the Vista Software for the cinema exhibition industry, an online cinema ticketing website and online data analysis and marketing.

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on 29 September 2014.

2 Basis of Preparation and changes to the Group’s accounting policies

The interim condensed consolidated financial statements for the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") and NZ IAS 34: Interim Financial Reporting.

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. Under the External Reporting Board’s ‘Accounting Framework’ the Group is reporting as a Tier 1 for-profit reporting entity.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2013.

The preparation of interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments (including derivative instruments). The Group is designated as a profit oriented entity for financial reporting purposes.

2.1 Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

In addition to the accounting policies of the Group set out in the audited 31 December 2013 financial statements, the Group has adopted the following accounting policies from 1 January 2014:

Share Capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company. 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 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.

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 profit or loss within the Statement of Comprehensive Income. 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 Company is exposed, or has rights, to valuable returns from its involvement with the subsidiary and has the ability to affect these returns through its power over the subsidiary. All subsidiaries have an annual 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.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiaries profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries to the amounts of the company and the non-controlling interests based on their ownership interests.

2.2 New and amended standards adopted by the group

There are no new standards and amendments relevant and adopted by the Group as of 1 January 2014 that have had a material impact on the interim financial statements.

3 Seasonality

While the business is not seasonal by its own nature, in both 2012 and 2013 the weighting of revenue and profit was greater in the second half of the year. This was due to the timing of large projects. We expect the trend in 2014 to be similar.

4 Segment reporting

The Group operates in a single vertical market (film/cinema) and is structured through operating subsidiaries that report monthly to the Chief Executive. The Chief Executive is considered to be the chief operating decision maker in terms of NZ IFRS 8 operating Segments. Revenue is reported via three main sources – Product, Maintenance and Services and there is no material indirect revenue source. No allocation of costs or assets is made against these revenue groups that would enable disclosure of segmented information in this way. Geographical information is prepared on non-financial indicators for internal management but not to the extent of full revenue and cost analysis.

On this basis the only segmental information that is prepared and available is the revenues as disclosed in the financial statements and notes. Should the operations of the Group expand to wider market segments and/or the internal reporting provide more detailed segmental reporting then this change will be reflected and the segment analysis prepared and included in the financial statements.

5 Investments accounted for using the equity method

The Group has two material associate companies as presented below:

Name of the associate	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group (%)	
			June 2014	June 2013
Virtual Concepts Limited	NZ	Provision of online loyalty data analytics and marketing	57	48
Numero Limited	NZ	Box office analytics	50	-

The investment in Virtual Concepts Limted ("VCL") is accounted for using the equity method in accordance with NZ IAS 28 Investments in Associates. During November 2013 Vista Entertainment Solutions acquired an additional 5.7% shareholding in VCL from minority interests. Also during November 2013 VCL issued 77 shares which Vista Entertainment Solutions Limited (a wholly owned subsidiary of the Company) acquired, increasing its shareholding in VCL to 57%.

The investment is classified as an associate under NZ IFRS 10 Consolidated Financial Statements due to the Group not exerting control over the investment as it does not have a majority representation on the entity's Board of Directors.

An agreement has been signed to acquire the remaining share capital in VCL and amend the existing Shareholders' Agreement subsequent to year end is described further in Note 12.

Numero Limited was incorporated on 18 October 2013 as a 100% owned subsidiary of Vista Entertainment Solutions Limited with 1,000 shares issued at $1 each. As outlined in Note 12 subsequent to 30 June 2014 50% of the share capital of Numero was sold to Numero senior management.

6 Business combinations

Acquisition of 25.1% of MACCS

During April 2014, Vista acquired 25.1% of the share capital of MACCS International BBV (MACCS) with an option to acquire a further 25% of the shares for a total of EUR5.75 million ($9.27 million). All share capital acquired is from the existing owners of MACCS. MACCS has a 90% investment in VPF Hub GmbH; a German registered Company.

The option to acquire the 25% shareholding in MACCS is deemed to be substantive and the existing Shareholder's 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 decisions, when there is a deadlock, for fixed consideration to the remaining shareholders.

Hence the results of MACCS have been consolidated in this set of Interim Financial Statements.

The fair value of the identifiable assets and liabilities of MACCS as at the date of acquisition were:

Notes	Fair Value recognised on acquisition $'000
Property, plant and equipment	412
Intangible Assets	5,104
Trade debtors	1,162
Cash and cash equivalents	1,543
Other current assets	596
Total Assets	8,817
Trade Creditors	280
Deferred tax liability	1,429
Other current liabilities	1,995
Total Liabilities	3,704
Total identifiable net assets at fair value	5,113
Non-controlling interests measured at fair value	(12,478)
Goodwill arising on acquisition (provisional)	12,203
Purchase consideration transferred	4,838

The Group has recognised the non-controlling interests in this transaction at fair value.

A full appraisal of the fair value of the assets acquired is yet to be undertaken, which may result in an adjustment to goodwill.

From the date of acquisition MACCS has contributed $385,000 revenue and $46,000 to net profit before tax from the continuing operations of the Group. If the acquisition would have taken place at the beginning of the year, revenue for the Group would have been $17.51 million and net profit for the period would have been $1.54 million.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of MACCS with those of the Group. The goodwill is not deductible for income tax purposes.

Transaction costs of $74,228 have been expensed and are included in administrative expenses in profit or loss within the Statement of Comprehensive Income and are part of the operating cash flows in the statement of cash flows.

7 Investment in subsidiaries

The consolidated financial statements of the Group include the following material subsidiaries.

Subsidiary	Principal activity	Shareholding June 2014 %	Shareholding June 2013 %
Vista Entertainment Solutions Limited	Software development and licensing	100	100
MACCS International BV	Software development and licensing	25.1	-

Vista Entertainment Solutions Limited and MACCS International BV have an annual reporting date of 31 December. Vista Entertainment Solutions is incorporated in New Zealand and MACCS International BV is incorporated in the Netherlands.

MACCS International BV has a 90% investment in VPF Hub GmbH; a German registered Company.

Set out below are the details of the subsidiaries held by Vista Entertainment Solutions Limited.

Subsidiary	Principal activity	Shareholding June 2014 %	Shareholding June2013 %
Vista Entertainment Solutions (UK) Limited	Software licensing	100	100
Vista Entertainment Solutions (USA) Inc	Software licensing	100	100
Vista Entertainment Solutions Shanghai Limited	Software licensing	100	100
Book My Show Limited	Online cinema ticketing	100	100
Book My Show (NZ) Limited	Online cinema ticketing website	100	100
Numero (Aust) Pty Limited	Box office analytics	100	100

Vista Entertainment Solutions Limited's investment in subsidiaries comprises shares at cost. All subsidiaries have an annual reporting date of 31 December. Book My Show (NZ) Limited is incorporated in New Zealand. Numero (Aust) Pty Ltd is incorporated in Australia. Vista Entertainment Solutions (UK) Limited is incorporated in Milton Keynes, England. Vista Entertainment Solutions (USA) Inc is incorporated in California, USA. Vista Entertainment Solutions (Shanghai) Limited is incorporated in China.

8 Loans and borrowings

In March 2010 the Company received funding from the ASB Banking Group to finance the acquisition of 50% of Vista Entertainment Solutions Limited from SkyCity Metro Limited. The amount borrowed was $4.2 million and this was secured by shareholder personal guarantees and a General Security Agreement and guarantee by Vista Entertainment Solutions Limited. In August 2012 Vista Entertainment Solutions Limited took over the term loans of InVista Holdings Limited (the company). The amount borrowed was $2.6 million and this was secured by shareholder personal guarantees (now released), a General Security Agreement and guarantee by Vista Entertainment Solutions Limited. The original term of the loans is 5 years from March 2010 and the interest rates vary between 6.93% to 8.46% per annum.

In November 2013, Vista Entertainment Solutions Limited established a $2.0m commercial credit facility with ASB Banking Group to fund working capital requirements. The interest rate is floating at 6.25% per annum.

In March 2014, the Company negotiated a EUR$3m facility to acquire 25.1% of the share capital of MACCS BV.

	Notes	Group 30 June 2014 $'000	Group 31 December 2013 $'000
Current		926	1,203
Non-current		4,839	499
Total		5,765	1,702

9 Earnings per share and dividends

Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Company as the numerator, i.e. no adjustments to profit were necessary during the 6 months to 30 June 2014 or 2013.

The weighted average number of shares for the purposes of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Group 2014 Number of shares	Group 2013 Number of shares
Weighted average number of shares in basic earnings per share	10,000	10,000
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	10,000	10,000

Total dividends of $3,500,000 were declared and paid by the Company in the six months ended 30 June 2014 (2013:$2,850,000).

Month	Notes	Group June 2014	Group June 2014
February 2013 ($185 per share)		-	1,850,000
May 2013 ($100 per share)		-	1,000,000
May 2014 ($350 per share)		3,500,000	-
Total:		3,500,000	2,850,000

10 Reconciliation of net surplus to cash flows

	Notes	Unaudited 6 month ended 30 June 2014 $'000	Unaudited 6 month ended 30 June 2013 $'000
Net profit / (loss) after tax		899	1,413
Non cash items			
Amortisation of software		106	-
Depreciation		234	176
Allowance for bad debts		-	-
		340	176
Movements in working capital			
(Decrease) / increase in accounts payable		2,180	264
(Increase) / decrease in short term advance		-	39
(Increase) / decrease in accounts receivable		1,540	(83)
Increase / (decrease) in taxation receivable		(504)	(687)
		3,216	(467)
Net cash flows from operating activities		4,454	1,121

11 Contingent liabilities

Pending legal dispute

On 25 June 2014 the Group received a letter from a significant customer expressing a desire to initiate a formal dispute resolution proceeding 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 Group estimates that its exposure (if any) in relation to the matters raised by the customer is between nil and $1.5m. The Group believes that it is in a strong position to rebut a claim, if one is made.

No provision has been made in the interim financial statements for the potential claim.

There were no other contingent liabilities for the Group at 30 June 2014 (Dec 2013: $Nil).

12 Commitments

There were no capital commitments for the Group at 30 June 2014 (Dec 2013: $Nil).

At 30 June 2014, the Group had operating lease commitments in respect of property and equipment. The total future minimum payments under non-cancellable operating leases were payable as follows:

Group	30 June 2014 Unaudited Total future minimum payments $'000	31 December 2013 Audited Total future minimum payments $'000
Less than one year	440	821
Between one and five years	2,853	2,374
More than five years	-	475
	3,293	3,670

13 Subsequent events

Issue of Shares and Listing on the New Zealand Stock Exchange

On 11 August 2014, the Company commenced quotation and trading of its shares on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX) and in doing so became an issuer under the Financial Reporting Act 1993.

The Company received gross proceeds of

- $39.23m from the allotment of 16.6m new ordinary shares at an issue price of $2.35 per share, offered under the Investment Statement and Prospectus dated 3 July 2014 for the Initial Public Offering ("IPO") of ordinary shares in the Company

- $0.64m from the allotment of ordinary shares at an issue price of $1.88 per share to existing employees as part of the employee share offer.

The number of shares on issue has changed as follows post year end:

	Notes	No of Shares Unaudited 000
Number of shares on issue at 30 June 2014		10,000
Conversion of existing shares		59,740,000
Number of shares prior to IPO		59,750,000
Shares issued as part of IPO Offer		16,693,706
Shares issued to employees at below market price		340,426
Shares gifted to employees		72,250
Shares issued in exchange for share capital in Virtual Concepts		2,956,707
Number of shares on issue at 29 September 2014		79,813,089

Agreement to acquire the remaining share capital in Virtual Concepts Limited

The Group currently own 57% of the share capital of Virtual Concepts and in August 2014 signed a sale and purchase agreements to purchase the remaining 43% of the share capital.

The initial consideration for the 43% in Virtual Concepts is $10.8 million, of which $6.9 million was settled through issue of shares in the Company and the $3.9 million was settled in cash. Further deferred contingent consideration, which is capped at $9.8 million, is split evenly into two tranches and will be payable based on multiple performance target criteria.

The sale and purchase agreement allows the Company to settle the deferred consideration with a minimum of 30% cash and the balance in shares (at the discretion of the Vista Group).

Agreement to sell 50% of the share capital of Numero

In August 2014 certain Numero senior managers purchased a 50% stake in Numero in consideration for A$60,000 (in aggregate). The date of the transaction was 1 January 2014.

The shares allotted to Numero senior management are intended to retain those employees and incentivise performance.

The investment in Numero has been equity accounted from 1 January 2014.

Agreement to sell 26% of the share capital in Book My Show Limited

BookMyShow Limited owns 100% of the share capital of Book My Show (NZ) Limited and 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 July 2014 for US$15,000.

Grant Thornton

Independent Accountant's Review Report

Audit

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To the Shareholders of Vista Group International Limited

Report on the Interim Financial Statements

We have reviewed the interim financial statements ("financial statements") of Vista Group International Limited (the "Group") on pages 4 to 17, which comprise the condensed statement of financial position as at 30 June 2014, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the six month period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities

The Directors of Vista Group International Limited are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Group as at 30 June 2014, and its financial performance and cash flows for the six month period ended on that date in accordance with International Accounting Standard 34 and New Zealand Equivalent International Accounting Standard 34: Interim Financial Reporting.

Independent Accountant's Responsibilities

We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of Group personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly we do not express an audit opinion.

We have reviewed the financial statements of the Group for the six month period ended 30 June 2014 in accordance with the New Zealand Standard on Review Engagement issued by the External Reporting Board. These standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements present fairly the matters to which they relate.

Our firm carries out other assignments for Vista Group International Limited in the area of financial statement audit, taxation advice and special consultancy projects. The firm has no other interest in the Group.

Review Opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Group as at 30 June 2014 and its financial performance and cash flows for the six month period ended on that date.

Grant Thornton

Grant Thornton New Zealand Audit Partnership
Auckland, New Zealand
29 September 2014

VISTA GROUP INTERNATIONAL LIMITED

("the Company")

DIRECTORS' DECLARATION IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

DATED: 30 SEPTEMBER 2014

The Directors of the Company hereby declare:

- The Interim Financial Statements dated 30 June 2014 and the Notes to those Financial Statements comply with the accounting standards issued in accordance with the Financial Reporting Act 1993;
- The Interim Financial Statements dated 30 June 2014 and the Notes to those Financial Statements give a true and fair view of the financial position of the Company; and
- In the Directors' opinion, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a written resolution of the directors dated 30 September 2014, and is signed for and on behalf of the Board of Directors by the Chairman.

Signed

Kirk Senior

Chairman