

vue

Noteholder presentation Q2 2014 23 July 2014



Important information

IMPORTANT: You must read the following before continuing

PRESENTATION OF FINANCIAL DATA

This presentation should be read in conjunction with the Vougeot Bidco plc ("Bidco") Quarterly Report (the "Report") to Noteholders for the period ended 29 May 2014 ("Q2 2014"), released on Wednesday 23 July 2014. This report is available on our website at <http://corporate.myvue.com/home/investor-relations>.

Bidco was incorporated on 2 May 2013 and began trading following its acquisition of Vue Entertainment International Limited ("VEIL") on 8 August 2013; hence comparative data for the prior year is not available and is not included in the unaudited interim condensed consolidated accounts ("Bidco as Acquired").

Pro Forma Bidco financial and operating data ("Pro Forma") has been included to provide a more meaningful view of the recent trading of the business and to enable comparison of the quarter and year to date to the prior year. The Pro Forma financial information presented in this Presentation has been derived from the consolidated financial statements of Bidco, VEIL, the pre-acquisition consolidated financial information of Multikino S.A. ("Multikino"), CinemaxX Holdings GmbH ("CinemaxX", formerly CinemaxX AG) and Apollo Cinemas Limited ("Apollo"), adjusted to give pro forma effect to (i) IFRS and Polish GAAP to UK GAAP differences, (ii) the VEIL acquisition (iii) the Financing (as defined in the Offering Memorandum), and the application of the proceeds there from and (iv) the pro forma savings resulting from the strategic decision made by the board of directors of the Company to purchase certain digital equipment related to 3D Films. This decision will result in significant savings in costs and an associated increase in EBITDA. The Company currently has license arrangements on rolling 5 year terms and where such licenses have terminated or will terminate within the next 24 months the Company has added back the associated cost savings in arriving at Consolidated EBITDA. At 29 May 2014 the increase in Consolidated EBITDA as a result of this adjustment is £2.4m. As a consequence of this strategic decision we estimate that we will incur capital expenditure of £2.6m in respect of the licenses which expire over the next 24 months. Such capital equipment might result in maintenance costs but this is considered to be immaterial. The transactions are deemed to have occurred on November 25, 2011 for the purposes of the income statement.

DISCLAIMER

This presentation is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities. This presentation does not contain all of the information that is material to an investor.

Forward-Looking Statements

This presentation contains "forward-looking statements" as that term is defined by the U.S. federal securities laws and within the meaning of the securities laws of certain other jurisdictions. These forward-looking statements include, without limitation, those regarding our intentions, beliefs or current expectations concerning our future financial condition and performance, results of operations and liquidity; our strategy, plans, objectives, prospects, growth, goals and targets; future developments in the markets in which we participate or are seeking to participate; and anticipated regulatory changes in the industry in which we operate.

These statements often include words such as "anticipate," "believe," "could," "estimates," "expect," "forecast," "intend," "may," "plan," "projects," "should," "suggests," "targets," "would," "will," and other similar expressions. These statements are not guarantees of performance or results. Many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements and projections. We undertake no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation.

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Presenters

Today's Speakers



Tim Richards
CEO



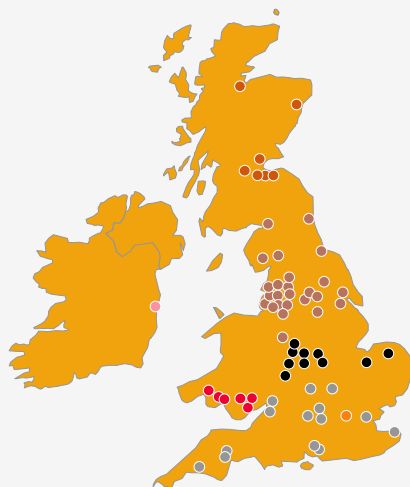
Alan McNair
CFO and Deputy CEO



Steve Knibbs
COO

Vue at a Glance as of 29 May 2014

UK & Ireland Footprint



Germany and Denmark Footprint



Poland Footprint



As at 29 May 2014	UK & Ireland	Germany & Denmark	Poland & Baltics ⁽¹⁾	Other ⁽²⁾	Group
Sites	83	33	33	2	151
<i>Multiplex % ⁽³⁾</i>	98.8%	97.0%	93.9%	100.0%	97.4%
Screens	790	285	268	25	1,368
<i>% of screens with 100% stadium seating</i>	95.1%	99.6%	100.0%	100.0%	97.1%

Notes:

1. Poland & Baltics includes Latvia and Lithuania.
2. Other includes Portugal and Taiwan. The Portuguese site was closed on 7 July 2014.
3. Multiplex cinema site defined as a site with five or more screens, calculated as a percentage of the total number of sites in the region.

Results Highlights

Q2 2014

- Major Territories Market GBOR decreased by 5.7% vs. Q2 2013.
- Vue Major Territories GBOR decreased by 8.8% to £83.6m with market share at 19.0% in line with Q1 2014.
- ATP is down 3p (0.6%) in Q2 2014.
- SPP is up by 4p (1.6%) in Q2 2014 reflecting the continuance of pricing initiatives across all territories.
- Consolidated EBITDA decreased by £2.5m (14.4%) to £14.9m driven by lower revenue.

	Q2 2014	Q2 2013	Variance to Q2 2013
Major Territories Total Market GBOR ⁽¹⁾ (£m)	439.5	466.1	(5.7%) ↓
Vue Major Territories GBOR ⁽²⁾ (£m)	83.6	91.7	(8.8%) ↓
Vue Major Territories GBOR market share (%)	19.0%	19.7%	(0.7ppt) ↓
Vue Group Turnover ⁽³⁾ (£m)	120.7	130.3	(7.3%) ↓
Vue Group Consolidated EBITDA ⁽⁴⁾ (£m)	14.9	17.4	(14.4%) ↓
Vue Group Admissions ⁽⁵⁾ (m)	12.9	14.1	(8.4%) ↓
Vue Group ATP ⁽⁶⁾ (£)	6.11	6.14	(0.6%) ↓
Vue Group SPP ⁽⁷⁾ (£)	2.10	2.06	1.6% ↑

FY 2014 (Dec 13 – May 14)

- Major Territories Market GBOR decreased by 1.6%
- Vue Major Territories GBOR decreased by 4.9% to £199.7m with market share decreasing by 0.7ppt to 19.1%.
- ATP is up 3p (0.5%) YTD.
- SPP is up 6p (2.9%) YTD reflecting the continuance of pricing initiatives across all territories.
- Consolidated EBITDA decreased by £3.4m (6.3%) to £50.3m driven by lower revenue.

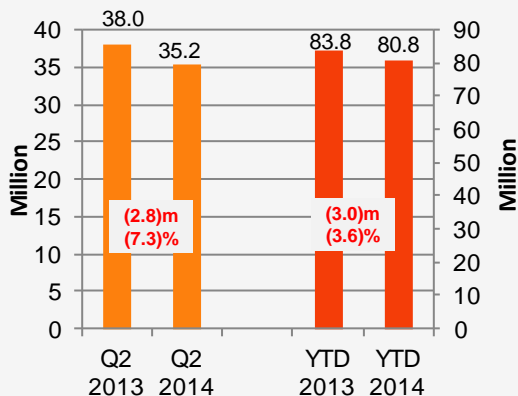
	YTD 2014	YTD 2013	Variance to YTD 2013
Major Territories Total Market GBOR ⁽¹⁾ (£m)	1,043.9	1,061.0	(1.6%) ↓
Vue Major Territories GBOR ⁽²⁾ (£m)	199.7	210.0	(4.9%) ↓
Vue Major Territories GBOR market share (%)	19.1%	19.8%	(0.7ppt) ↓
Vue Group Turnover ⁽³⁾ (£m)	285.9	297.2	(3.8%) ↓
Vue Group Consolidated EBITDA ⁽⁴⁾ (£m)	50.3	53.7	(6.3%) ↓
Vue Group Admissions ⁽⁵⁾ (m)	30.7	32.5	(5.5%) ↓
Vue Group ATP ⁽⁶⁾ (£)	6.14	6.11	0.5% ↑
Vue Group SPP ⁽⁷⁾ (£)	2.04	1.98	2.9% ↑

Notes

1. Major Territories Total Market GBOR: Aggregate Total Market GBOR for the UK, Germany and Poland, for the defined period.
2. Vue Major Territories GBOR: Aggregate Vue UK GBOR (excluding Ireland, Taiwan and Portugal), Cinemax GBOR (excluding Denmark) and Multikino (excluding Latvia and Lithuania).
3. Vue Group Turnover: Total Group reported turnover for the defined period.
4. Vue Group Consolidated EBITDA: Consolidated reported EBITDA for the Group, for the defined period.
5. Includes paid and unpaid admissions in the period.
6. Calculated as total Group BOR in the period (net of VAT) divided by total admissions in the period.
7. Calculated as total Group Concessions in the period (net of VAT) divided by total admissions in the period.
8. FX rates: € to £ average exchange rates are: 0.8203 Q2 2014; 0.8224 YTD 2014; 0.8487 Q2 2013 and 0.8449 YTD 2013. PLN to £ average exchange rates are: 0.1970 Q2 2014; 0.1971 YTD 2014; 0.2022 Q2 2013 and 0.2027 YTD 2013.
9. UK financial & market data: Q2 2014, the 13 weeks ended 29 May 2014; YTD 2014, the 26 weeks ended 29 May 2014; Q2 2013, the 13 weeks ended 30 May 2013; YTD 2013, the 26 weeks ended 30 May 2013.
10. Germany market data: Q2 2014 1 March 2014 to 31 May 2014; YTD 2014 1 December 2013 to 31 May 2014; Q2 2013 1 March 2013 to 31 May 2013; YTD 2013 1 December 2012 to 31 May 2013.
11. Poland market data: Q2 2014, the 13 weeks ended 05 June 2014; YTD 2014, the 26 weeks ended 05 June 2014; Q2 2013, the 13 weeks ended 06 June 2013; YTD 2013, the 26 weeks ended 06 June 2013.

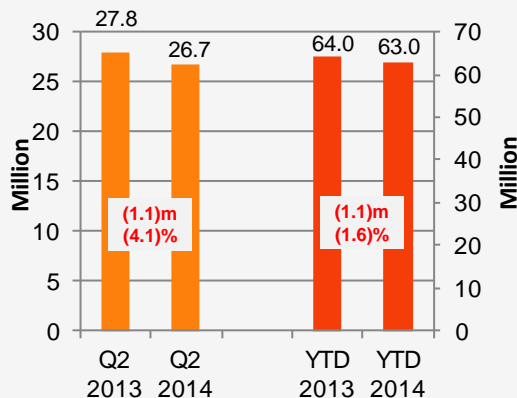
Market Performance – Admissions and GBOR

UK Admissions (m) ⁽¹⁾



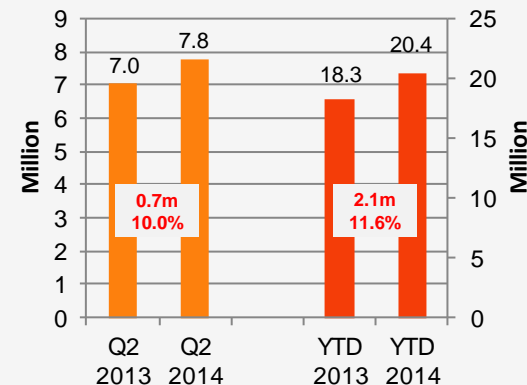
Source: CAA (DCM & P&D)

Germany Admissions (m) ⁽²⁾



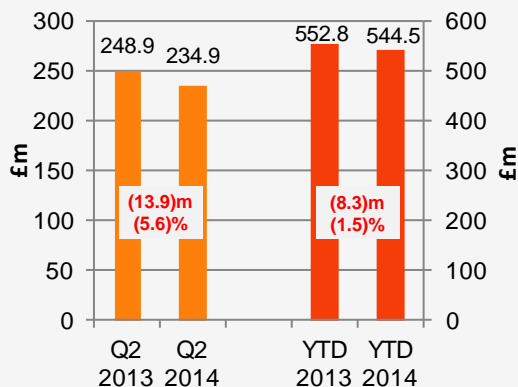
Source: IBOE.com / Rentrak

Poland Admissions (m) ⁽²⁾



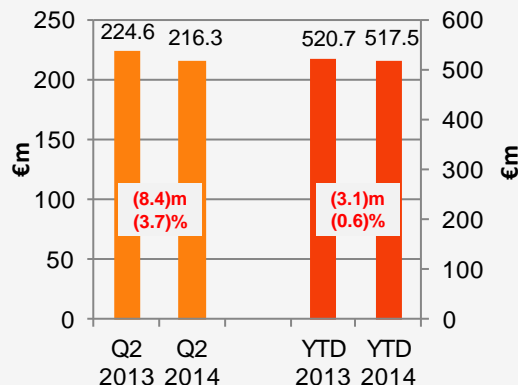
Source: Boxoffice.pl

UK GBOR (£m)



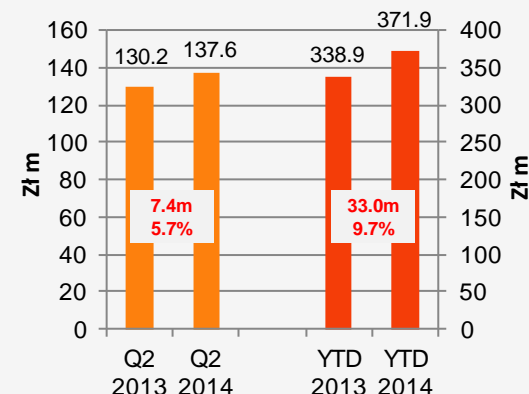
Source: IBOE.com / Rentrak

Germany GBOR (€m)



Source: IBOE.com / Rentrak

Poland GBOR (złm)



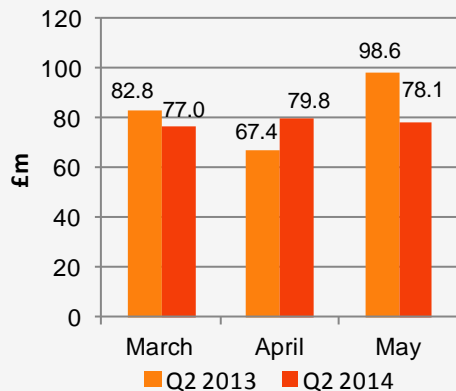
Source: Boxoffice.pl

Notes

1. Includes paid and unpaid admissions in the period.
2. Includes paid admissions only in the period.

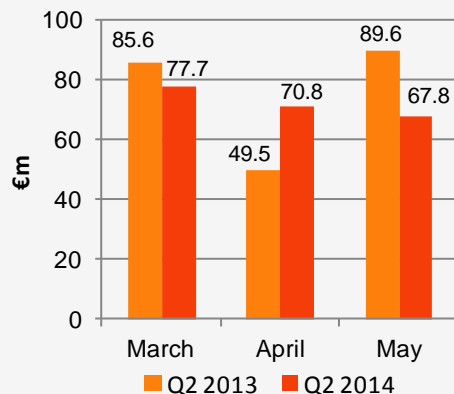
Market Performance – Q2 2014 GBOR Monthly Phasing

UK Q2 2014 GBOR monthly phasing



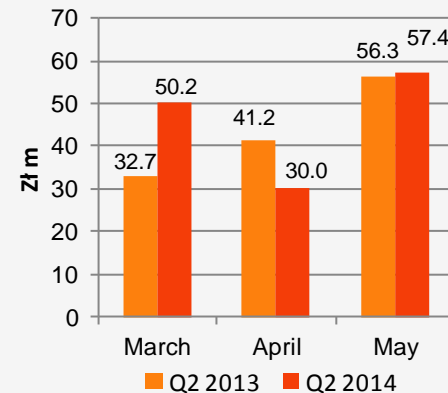
Source: IBOE.com / Rentrak

Germany Q2 2014 GBOR monthly phasing



Source: IBOE.com / Rentrak

Poland Q2 2014 GBOR monthly phasing



Source: Boxoffice.pl

□ March

- Easter Holidays were in late April 2014 (Easter Monday on April 21st vs. April 1st 2013) and as such this leads to a different phasing of film releases and admissions across Q2 2014 vs. Q2 2013.
- UK: Timing of Easter and weaker slate in 2014 incl *Non-Stop* (£9.0m) and *The Grand Budapest Hotel* (£8.5m) compared with *The Croods* (£15.4m) and *Oz: The Great And Powerful* (£13.1m) in 2013.
- Germany: Timing of Easter and weaker slate incl *300: Rise of an Empire* (€8.9m) and *Non-Stop* (€6.5m) in 2014 compared with *Hansel & Gretel: Witch Hunters* (€11.8m) and *Oz: The Great And Powerful* (€9.2m) in 2014.
- Poland: Strong performance from local title *Kamienie na szaniec* (zł10.6m)

□ April

- UK: Timing of Easter and stronger slate in 2014. (2014 *Spiderman 2* £17.8m, *Rio 2* £11.2m, *Captain America* £10.1m, 2013 *Iron Man 3* £18.3m).
- Germany: Timing of Easter and stronger slate in 2014. (2014 *Rio 2* €9.0m, 2013 *The Croods* €6.9m).
- Poland: April is likely to be the lowest performing month in 2014 with Easter being a very low cinema season in Poland.

□ May

- All territories: Strong 2013 slate incl *Star Trek Into Darkness*, *Fast & Furious 6* and *Iron Man 3*

UK Market ⁽¹⁾ Performance – Slate Q2 2014 versus Q2 2013

Q2 2014 - UK & Ireland	GBOR (£m)	3D
Amazing Spider-Man 2, The	23.9	Yes
Captain America: The Winter Soldier	19.3	Yes
X-Men: Days Of Future Past	16.0	Yes
Bad Neighbours	14.6	No
Rio 2	14.6	Yes
Total Top 5	88.5	4
Total Market ⁽¹⁾	253.4	
<i>Top 5 as a % of total market ⁽¹⁾</i>	34.9%	

Q2 2013 - UK & Ireland	GBOR (£m)	3D
Iron Man 3	35.9	Yes
Croods, The	26.0	Yes
Star Trek Into Darkness	21.7	Yes
Fast & Furious 6	19.4	No
Oz: The Great And Powerful	15.2	Yes
Total Top 5	118.3	4
Total Market ⁽¹⁾	268.1	
<i>Top 5 as a % of total market ⁽¹⁾</i>	44.1%	

UK & Ireland

- Total Market GBOR decreased 5.5% from £268.1m in Q2 2013 to £253.4m in Q2 2014.
- Top five titles in Q2 2014 generated £88.5m market GBOR, which was £29.8m (25.2%) less than the prior year period which included strong performance from *Iron Man 3* and *The Croods*.
- The Top 3 largest grossing titles in both Q2 2014 and 2013 were teen and family orientated 3D titles.
- The reduction in GBOR of the top five titles was partially offset by an increase from films outside the top five (including *Godzilla*, *The Grand Budapest Hotel*, *The Lego Movie*, *Noah* and *Non-Stop*) accounting for a greater proportion of Total Market GBOR (65.1% in 2014 versus 55.9% in 2013).
- For both Q2 2014 and Q2 2013, four of the top five titles were released in 3D.

Notes
 1. Market data for the UK includes both the UK & Ireland as per IBOE.com Rentrak. This data therefore does not reconcile to UK market data listed on slide 7, the difference being Ireland.
 2. UK market data: Q2 2014, the 13 weeks ended 29 May 2014; Q2 2013, the 13 weeks ended 30 May 2013

Germany Market Performance – Slate Q2 2014 versus Q2 2013

Q2 2014 - Germany	GBOR (€m)	3D	Local
Rio 2	11.7	Yes	No
Amazing Spider-Man 2, The	11.0	Yes	No
Bad Neighbours	10.2	No	No
300: Rise of an Empire	9.7	Yes	No
Lego Movie, The	9.0	Yes	No
Total Top 5	51.5	4	0
Total Market	216.3		
<i>Top 5 as a % of total market</i>	<i>23.8%</i>		

Q2 2013 - Germany	GBOR (€m)	3D	Local
Iron Man 3	17.3	Yes	No
Croods, The	16.3	Yes	No
Star Trek Into Darkness	13.0	Yes	No
Hänsel & Gretel	13.0	Yes	No
Fast & Furious 6	11.9	No	No
Total Top 5	71.5	4	0
Total Market	224.6		
<i>Top 5 as a % of total market</i>	<i>31.8%</i>		

Germany

- Total Market GBOR decreased 3.7% from €224.6m in Q2 2013 to €216.3m in Q2 2014.
- Top five titles in Q2 2014 generated €51.5m market GBOR, 27.9% less than the prior year period primarily due to the strong slate in Q2 2013 and good weather through Q2 2014. All 5 of the top titles in Q2 2013 generated greater GBOR than the top title in Q2 2014 (*Rio 2* €11.7m)
- For both Q2 2014 and Q2 2013, four of the top five titles were released in 3D, with no local content titles in either period.
- Titles outside the top 5 accounted for a higher proportion of Total Market GBOR in Q2 2014 (76.2% in 2014 versus 68.2% in 2013).
- There were no local content titles in the Q2 2014 top ten; with one in Q2 2013 (*Kokowääh 2* €6.3m)

Notes

1. Germany market data: Q2 2014 1 March 2014 to 31 May 2014; Q2 2013 1 March 2013 to 31 May 2013

Poland Market Performance – Slate Q2 2014 versus Q2 2013

Q2 2014 - Poland	GBOR (złm)	3D	Local
Kamienie na szaniec	11.3	No	Yes
Rio 2	10.6	Yes	No
Noah	7.5	Yes	No
300: Rise of an Empire	7.5	Yes	No
Powstanie Warszawskie	7.5	No	Yes
Total Top 5	44.5	3	2
Total Market	137.6		
<i>Top 5 as a % of total market</i>	<i>32.3%</i>		

Q2 2013 - Poland	GBOR (złm)	3D	Local
Iron Man 3	12.9	Yes	No
Croods, The	11.2	Yes	No
Układ zamkniety	10.8	No	Yes
Fast & Furious 6	7.1	No	No
Oszukane	7.0	No	Yes
Total Top 5	49.0	2	2
Total Market	130.2		
<i>Top 5 as a % of total market</i>	<i>37.6%</i>		

Poland

- Total Market GBOR increased 5.7% from zł130.2m in Q2 2013 to zł137.6m in Q2 2014 despite exceptionally good weather throughout the three months.
- Top five titles in Q2 2014 generated zł44.5m market GBOR, 9.3% down on the prior year period due to stronger top 3 titles in Q3 2013.
- Three of the top five titles were released in 3D in Q2 2014 compared to two in Q2 2013
- Titles outside the top 5 accounted for a greater proportion of Total Market GBOR in Q2 2014 (67.7% in 2014 versus 62.4% in 2013).
- Both current and prior year quarters had two local content titles in the top five - *Kamienie na szaniec* zł11.3m and *Powstanie Warszawskie* zł7.5m in Q2 2014 compared with *Układ zamkniety* zł10.8m and *Oszukane* zł7.0m in 2013.

Notes

1. Poland market data: Q2 2014, the 13 weeks ended 05 June 2014; Q2 2013, the 13 weeks ended 06 June 2013

Market Share

	Q2 2014	Q2 2013	Variance to Q2 2013	YTD 2014	YTD 2013	Variance to YTD 2013
UK Market GBOR (£m) ⁽³⁾	234.9	248.9	(5.6%) ↓	544.5	552.8	(1.5%) ↓
Germany Market GBOR (£m) ^(2, 4)	177.5	191.0	(7.1%) ↓	426.1	439.3	(3.0%) ↓
Poland Market GBOR (£m) ^(2, 5)	27.1	26.3	3.2% ↑	73.3	68.8	6.5% ↑
Major Territories Total Market GBOR ⁽¹⁾ (£m)	439.5	466.1	(5.7%) ↓	1,043.9	1,061.0	(1.6%) ↓
Vue Major Territories GBOR ⁽²⁾ (£m)	83.6	91.7	(8.8%) ↓	199.7	210.0	(4.9%) ↓
Vue Major Territories GBOR Market Share (%)	19.0%	19.7%	(0.7ppt) ↓	19.1%	19.8%	(0.7ppt) ↓

- In Q2 2014, Major Territories Total Market GBOR decreased 5.7% to £439.5m, compared to Vue Major Territories GBOR decrease of 8.8% to £83.6m resulting in a market share decrease of 0.7ppt to 19.0%.
- GBOR market share decline in Q2 2014 was influenced by:
 - Outperformance of the market by Vue in Q2 2013 across high grossing titles *Iron Man 3*, *The Croods* and *Star Trek Into Darkness* versus a less favourable, lower grossing slate in Q2 2014;
 - The termination of the lease at one site in Germany in August 2013;
 - Limited number of UK sites impacted by competitor site openings;
 - Growth in the Polish market due to new site openings by competitors.
- On a YTD basis, Major Territories Total Market GBOR decreased 1.6% to £1,043.9m, compared to Vue Major Territories GBOR decrease of 4.9% to £199.7m resulting in a market share decrease of 0.7ppt to 19.1%, consistent with the impact in Q1 2014.

Notes

1. Vue Major Territories GBOR: Aggregate Vue UK GBOR (excluding Ireland, Taiwan and Portugal), CinemaxX GBOR (excluding Denmark) and Multikino (excluding Latvia and Lithuania).
2. FX rates: € to £ average exchange rates are: 0.8203 Q2 2014; 0.8224 YTD 2014; 0.8487 Q2 2013 and 0.8449 YTD 2013. PLN to £ average exchange rates are: 0.1970 Q2 2014; 0.1971 YTD 2014; 0.2022 Q2 2013 and 0.2027 YTD 2013.
3. UK financial & market data: Q2 2014, the 13 weeks ended 29 May 2014; YTD 2014, the 26 weeks ended 29 May 2014; Q2 2013, the 13 weeks ended 30 May 2013; YTD 2013, the 26 weeks ended 30 May 2013.
4. Germany market data: Q2 2014 1 March 2014 to 31 May 2014; YTD 2014 1 December 2013 to 31 May 2014; Q2 2013 1 March 2013 to 31 May 2013; YTD 2013 1 December 2012 to 31 May 2013.
5. Poland market data: Q2 2014, the 13 weeks ended 05 June 2014; YTD 2014, the 26 weeks ended 05 June 2014; Q2 2013, the 13 weeks ended 06 June 2013; YTD 2013, the 26 weeks ended 06 June 2013.

Financial Information – Turnover

	Q2 2014	Q2 2013	Variance to Q2 2013	YTD 2014	YTD 2013	Variance to YTD 2013
BOR (£m) ⁽¹⁾	78.8	86.5	(8.9%) ↓	188.8	198.7	(5.0%) ↓
Concessions revenue (£m) ⁽¹⁾	27.1	29.1	(6.9%) ↓	62.8	64.5	(2.7%) ↓
Screen advertising and other revenue (£m) ⁽¹⁾	14.9	14.7	1.2% ↑	34.3	34.0	0.9% ↑
Group Turnover (£m) ⁽¹⁾	120.7	130.3	(7.3%) ↓	285.9	297.2	(3.8%) ↓
<i>Admissions (m) ⁽²⁾</i>	12.9	14.1	(8.4%) ↓	30.7	32.5	(5.5%) ↓
<i>ATP (£) ⁽³⁾</i>	6.11	6.14	(0.6%) ↓	6.14	6.11	0.5% ↑
<i>SPP (£) ⁽⁴⁾</i>	2.10	2.06	1.6% ↑	2.04	1.98	2.9% ↑
<i>Total revenue per person (£) ⁽⁵⁾</i>	9.36	9.25	1.2% ↑	9.30	9.14	1.7% ↑

- Group Turnover at £120.7m, decreased by £9.6m (7.3%) in Q2 2014 as a result of lower admissions compared to Q2 2013, partially offset by higher revenue per person (+1.2%).
- The 1.2% improvement in revenue per person in Q2 2014 delivered a £1.4m increase in turnover; partially offsetting the reduction from admissions which were 1.2m (8.4%) below prior year.
- All markets experienced ATP increases in local currency in Q2 2014, however in GBP ATP was down 3p (0.6%) for Q2 2014 but up 3p (0.5%) YTD.
- SPP is up by 4p (1.6%) in Q2 2014 and by 6p (2.9%) YTD reflecting the continuance of pricing initiatives across all territories.
- Screen advertising and other revenue increased by £0.2m (1.2%) to £14.9m in Q2 2014.

Notes

1. FX rates: € to £ and zł to £ exchange rates are month end reported exchange rate as per Agresso reporting system.
2. Includes paid and unpaid admissions in the period.
3. Calculated as total BOR in the period (net of VAT), divided by total admissions in the period.
4. Calculated as total concession revenue for the period (net of VAT) divided by total admissions in the period.
5. Calculated as total turnover for the period (net of VAT) divided by total admissions in the period.

Financial Information – Margin and Costs

	Q2 2014	Q2 2013	Variance to Q2 2013	YTD 2014	YTD 2013	Variance to YTD 2013
Turnover (£m)	120.7	130.3	(7.3%) ↓	285.9	297.2	(3.8%) ↓
Gross profit (£m)	75.6	81.4	(7.2%) ↓	177.8	183.1	(2.9%) ↓
<i>Gross profit %</i>	62.6%	62.5%	0.1ppt ↑	62.2%	61.6%	0.6ppt ↑
Administrative expenses (£m) ⁽²⁾	(35.3)	(38.9)	9.2% ↑	(76.5)	(78.8)	2.9% ↑
<i>Administrative expenses as % of revenue</i>	29.2%	29.8%	0.6ppt ↑	26.8%	26.5%	(0.3ppt) ↓
Rent (£m)	(25.4)	(25.1)	(0.9%) ↓	(51.0)	(50.7)	(0.6%) ↓
<i>Rent as % of revenue</i>	21.0%	19.3%	(1.7ppt) ↓	17.8%	17.0%	(0.8ppt) ↓
Consolidated EBITDA (£m)	14.9	17.4	(14.4%) ↓	50.3	53.7	(6.3%) ↓
<i>Consolidated EBITDA %</i>	12.3%	13.4%	(1.0ppt) ↓	17.6%	18.1%	(0.5ppt) ↓

- Consolidated EBITDA of £14.9m was £2.5m (14.4%) down on Q2 2013.
- Gross profit was down 7.2% driven by the shortfall in attendance
- Gross margin for Q2 2014 of 62.6% is ahead of Q2 2013 due to an improvement in corporate sales. The YTD margin of 62.2% is ahead of last year by 0.6ppt primarily due to a small improvement in film rental costs.
- Administrative expenses for Q2 2014 decreased £3.6m (9.2%) to £35.3m. Excluding the impact of the Pro Forma savings⁽²⁾ resulting from the purchase of digital projection equipment, administrative expenses decreased £1.1m (2.8%) to £37.8m due to lower staff costs.
- Rent increased £0.3m (0.9%) to £25.4m in Q2 2014 and by £0.3m (0.6%) YTD due to the continuing impact of new site openings largely offset by reduced turnover rent and site disposals.

Notes

1. FX rates: € to £ and £ to £ exchange rates are month end reported exchange rate as per Agresso reporting system.
2. See Consolidated EBITDA note in Quarterly Report to Noteholders for period ended 29 May 2014.

Financial Information – Cash flow and Capital structure

	Q2 2014	YTD 2014
Consolidated EBITDA	14.9	50.3
Working capital ⁽¹⁾	2.2	5.4
Capital expenditure	(5.2)	(13.6)
Tax and other (including non-cash adjustments)	(6.5)	(8.3)
Operating cash flow	5.5	33.8
<i>EBITDA to operating cash flow conversion %</i>	<i>36.6%</i>	<i>67.3%</i>

Cash flow

- Trading working capital inflows of £2.2m in Q2 2014.
- Capital expenditure in Q2 2014 is primarily maintenance and revenue enhancing capex.
- Non cash movement includes the utilisation of onerous lease provisions, the release of landlord contributions and the impact of the Pro Forma savings⁽³⁾.
- Cash conversion fell to 36.6% in Q2 2014 due to the reduction in revenue.

	29 May 2014	27 February 2014	Variance to 27 February 2014
Total external debt net of fees (£m)	(531.7)	(547.5)	2.9% ↑
<i>Gross leverage (x)</i>	<i>5.72x</i>	<i>5.74x</i>	<i>0.4%</i> ↑
Unrestricted cash and cash equivalents (£m) ⁽²⁾	13.9	28.4	(50.9%) ↓
Total external net debt (£m)	(517.8)	(519.2)	0.3% ↑
<i>Net leverage (x)</i>	<i>5.57x</i>	<i>5.44x</i>	(2.3%) ↓
LTM Pro Forma Consolidated EBITDA ⁽³⁾	93.0	95.4	(2.5%) ↓

Capital Structure

- At 29 May 2014, total external net debt was £(517.8)m comprising external debt (net of fees) of £(531.7)m and unrestricted cash and cash equivalents of £13.9m⁽²⁾.
- Net leverage at 29 May 2014 was 5.57x of Consolidated LTM EBITDA, an increase of 0.13x from 27 February 2014.

Notes

1. Pro forma trading working capital.

2. Unrestricted cash and cash equivalents excludes £37.1m relating to cash (capital and accrued interest) to repay OMERS/ AIMCo bridge loan and also excludes restricted cash of £4.2m, relating to rental deposits held in relation to some of the Group's cinema sites.

3. See Consolidated EBITDA note in Quarterly Report to Noteholders for period ended 29 May 2014.

Highlights and Recent Developments

- Managing Director – UK & Ireland
 - Kevin Styles, formerly CEO of American Golf in the UK, Best Buy and Trade Depot (part of the Kingfisher Group) has been appointed as Vue Managing Director for the UK & Ireland business. Kevin started at Vue on Tuesday 22nd July 2014
- CinemaxX Squeeze Out
 - Following acquisition of the outstanding minority interests in CinemaxX AG and its conversion to CinemaxX Holdings GmbH, companies in the CinemaxX Group became guarantors to the Indenture on 7 May 2014, providing additional security to the bond holders
- Club Lloyds Ticket Deal in the UK
 - This is the largest single company ticket deal agreed in our industry, as explained on the Q1 2014 call in April.
 - Account sign up levels are in line with Vue and Lloyds Bank expectations and we have now started to see the visits from the Club Lloyds customers in our cinemas
- Energy Saving Projects
 - Germany - LED lighting complete and HVAC controls upgrades to 5 sites due to start in August 2014
 - UK - HVAC controls upgrades completed at 40 cinemas with a further 8 programmed before the end of November 2014
- VIP Seats
 - Trial sites are now installed in Poland and Germany. Current results would indicate a full roll out across the Group in 2015
- Ongoing Revenue Enhancing Capital Expenditure Projects
 - Doncaster, UK: This sloped floor 7 screen multiplex is being converted into a state of the art 11 screen stadium seated multiplex. The cinema landlord is adding two family restaurants - Nandos and Pizza Express - as part of the re-development
 - Copenhagen, Denmark: Work has started on the additional 4 screens with 347 seats at our flagship site in central Copenhagen
 - Raschplatz Hannover, Germany: Work is due to start this summer on the upgrade to the existing retail stands in the cinema

Current Trading

□ UK & Ireland Market

- Admissions in June 2014 were (21%) below prior year driven by a weaker slate and the scheduling of titles around the FIFA World Cup.
- The top grossing titles for June 2014 were *22 Jump Street* (£15.9m), *Maleficent* (£14.1m) and *X-Men: Days Of Future Past* (£10.8m).
- July 2014 will benefit from titles such as *Transformers: Age of Extinction*, *How to Train Your Dragon 2* and *Dawn Of The Planet Of The Apes*, all three being released in 3D.
- August will see the sequel to the highly successful *Inbetweeners Movie* (£45m in 2011) released as well as two high profile, but non franchise films, in *Guardians of the Galaxy* and *Lucy*.

□ German Market

- Admissions in June 2014 were 40% below prior year influenced by good weather and the scheduling of titles around the FIFA World Cup.
- The outstanding performance of Germany at the World Cup saw the low admissions seen through June extend into July.
- The top grossing titles for June 2014 were *Maleficent* (€7.4m), *The Fault In Our Stars* (€4.2m) and *X-Men: Days Of Future Past* (€4.1m).
- July and August 2014 will benefit from the releases of *Transformers: Age of Extinction* and *Dawn Of The Planet Of The Apes* where the 3D proportion of admissions at higher ticket prices is expected to do well.

□ Poland Market

- Admissions for June are estimated to be c.2.0m (14%) below prior year with the scheduling of titles around the FIFA World Cup.
- The top grossing titles in Poland for June 2014 are expected to be *How To Train Your Dragon 2* (c.zł9.3m), *Maleficent* (c.zł5.8m) and *Transformers: Age of Extinction* (c.zł3.6m) all released in 3D.
- July and August are expected to be driven by kids and family orientated product including *Planes 2* and *Guardians of the Galaxy*.
- There are no notable releases of local product titles expected during Q3.

Film Slate – Q3 2014

Q3 2014 - Key International Titles		3D
Jun-14	22 Jump Street	
	Maleficent	Y
	How To Train Your Dragon 2	Y
Jul-14	Transformers 4	Y
	Dawn Of The Planet Of The Apes	Y
Aug-14	Guardians Of The Galaxy	Y
	The Inbetweeners Movie 2	

Q3 2014 - Key Local Content Titles		3D
Germany		
Jul-14	Wir sind die Neuen	
Aug-14	Saphirblau	
Aug-14	Doktorspiele	
Poland		
No significant local content titles		

Q3 2013 - Key International Titles		3D
Jun-13	Man Of Steel	Y
	Despicable Me 2	Y
	World War Z	Y
Jul-13	Monsters University	Y
	Now You See Me	
Aug-13	Conjuring, The	
	Smurfs 2, The	Y

Q3 2013 - Key Local Content Titles		3D
Germany		
Jun-13	Feuchtgebiete	
Poland		
Aug-13	Dziewczyna z szafy	

- Admissions in June have been impacted by scheduling of titles around the FIFA World Cup.
- Key releases for July and August include: *Transformers: Age of Extinction*, *Dawn of The Planet of The Apes*, *How To Train Your Dragon 2* and the sequel to the highly successful *Inbetweeners* Movie.

vue

Q&A



Financial Calendar

June

M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October

M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November

M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Confirmed Dates
 Provisional Dates

23 July 2014

Q2 2014 Bondholder Report released and Investor Call (2pm – see Quarterly Report for dial-in details)

22 October 2014

Q3 2014 Bondholder Report released and Investor Call (2pm – see Quarterly Report for dial-in details)