

VOUGEOT BIDCO PLC

QUARTERLY REPORT TO NOTEHOLDERS

£300,000,000 7.875% SENIOR SECURED NOTES DUE 2020

€360,000,000 SENIOR SECURED FLOATING RATE NOTES DUE 2020

(the "Notes")

Q1 2015 - PERIOD ENDED 26 February 2015

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PRESENTATION OF FINANCIAL DATA

This report summarises consolidated financial and operating data derived from the consolidated financial statements of Vougeot Bidco plc and its subsidiaries (“Bidco”). The summary financial information provided has been derived from our records for the accounting periods to 26 February 2015, which are maintained in accordance with UK GAAP.

We have presented certain non-UK GAAP information in this quarterly report. This information includes “Consolidated EBITDA”, which represents earnings before interest, tax, depreciation, amortisation and one-off exceptional and strategic items as defined in the Vougeot Bidco plc Indenture dated 18 July 2013 (“Indenture”).

Management believes that Consolidated EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because Consolidated EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions.

This report refers to market information obtained from third party sources. “Market Admissions” for UK and Italy are a measure of paid and unpaid box office admissions and are sourced from the Cinema Advertising Association (“CAA”) and Cinetel respectively. Market Admissions for Germany and Poland includes only paid admissions and the sources are Rentrak through www.IBOE.com and www.boxoffice.pl respectively. Gross Box Office Revenue (“GBOR”) measures box office revenue including local sales taxes by film and in aggregate. Market GBOR refers to total GBOR for markets referred to. “Major Territories” and “Vue Major Territories” specifically refer to UK, Germany, Poland and Italy being the major markets in which Bidco operates. Major Territories Total Market GBOR and Vue Major Territories GBOR are aggregated measures of GBOR for the total market and for Bidco. “Market Share” is Vue Major Territories GBOR as a proportion of Major Territories Total Market GBOR. Market and Vue GBOR information for UK & Ireland and Germany is sourced from Rentrak through www.IBOE.com, Poland from www.boxoffice.pl and Italy from Cinetel.

Where applicable, we have also referred to information in the Vougeot Bidco plc Offering Memorandum dated 11 July 2013 (the “Offering Memorandum”), a copy of which is available on the Investor Relations page of our website, <http://corporate.myvue.com/home/investor-relations>.

Comparative data for the 13 week trading period from 29 November 2013 to 27 February 2014 is reflected in information presented on an “As Acquired” basis, being the unaudited consolidated profit and loss account (page 11 of this report). The audited consolidated financial statements for Bidco for the period ended 27 November 2014 are available on the Vue Investor Relations website. A reconciliation between the Bidco As Acquired profit and loss account and the unaudited condensed consolidated profit and loss account is provided on page 12 of this report.

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 to the prior year. The Pro Forma financial information presented in this report has been derived from the consolidated financial statements of Bidco and the pre-acquisition consolidated financial information of Capitololette S.r.l. and its subsidiaries which includes The Space Entertainment S.p.A. (together “TSC”), adjusted to give pro forma effect to IFRS and to UK GAAP differences. The TSC transaction is deemed to have occurred on November 29, 2013 for the purposes of the income statement.

The Pro Forma financial information also includes 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 the projection of 3D Films. This decision will result in significant contractual savings in costs and an associated increase in consolidated EBITDA. The Company currently has license arrangements on rolling five 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. As a consequence of this strategic decision we estimate that we will incur capital expenditure of £2.9m 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.

DISCLAIMER

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

Forward-Looking Statements

This report 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 report.

HIGHLIGHTS

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Turnover	210.8	210.7	0.0%	210.8	210.7	0.0%
Consolidated EBITDA	47.3	45.5	4.0%	47.3	45.5	4.0%
Capital expenditure	(4.6)	(8.9)	49.0%	(4.6)	(8.9)	49.0%
Admissions (m)	25.0	24.0	4.3%	25.0	24.0	4.3%
Number of screens	1,741	1,730	0.6%	1,741	1,730	0.6%
Average ticket price ("ATP") (£)	5.61	5.85	(4.1%)	5.61	5.85	(4.1%)
Concession spend per person ("SPP") (£)	1.82	1.82	0.3%	1.82	1.82	0.3%

Unless otherwise stated, discussion in this report relates to Pro Forma data (includes TSC). Bidco data is presented on an "As Acquired" basis on page 12.

- Major Territories Market GBOR increased by 1.6% vs. Q1 2014
- Vue Major Territories GBOR for Q1 2015 increased by 1.0% to £151.0m with market share at 18.9%.
- Group Turnover increased by £0.1m (0.0%) to £210.8m
- ATP down 24p due to currency. At constant currency, Group ATP up year on year
- SPP is in line with Q1 2014, with an increase of (0.3%).
- Consolidated EBITDA increased by £1.8m (4.0%) vs Q1 2014 to £47.3m driven by higher revenue.

OPERATIONAL AND FINANCIAL REVIEW

Markets

Market Admissions for Q1 2015 were up across all markets UK 5.8%, Germany 10.7%, Italy 0.9% and Poland 17.3%. Market GBOR was also up in UK 6.4%, Germany 10.6% and Italy 2.1% and Poland 18.3%.

Turnover

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Total turnover	210.8	210.7	0.0%	210.8	210.7	0.0%
<i>Operational data</i>						
Admissions (m)	25.0	24.0	4.3%	25.0	24.0	4.3%
ATP (£)	5.61	5.85	(4.1%)	5.61	5.85	(4.1%)
SPP (£)	1.82	1.82	0.3%	1.82	1.82	0.3%
Total revenue per person (£)	8.42	8.78	(4.1%)	8.42	8.78	(4.1%)
Number of screens	1,741	1,730	0.6%	1,741	1,730	0.6%

Group Turnover for Q1 2015 increased by £0.1m (0.0%) to £210.8m principally as a result of admissions up by 4.3% compared to Q1 2014.

- ATP down 24p due to currency. At constant currency, Group ATP up year on year.
- SPP is in line with Q1 2014 up by (0.3%) in Q1 2015.

GBOR Market Share at 18.9% in Q1 2015 is 0.1ppt down against Q1 2014. This slight reduction is influenced by :

- A higher proportion of local content in Germany and Poland, which is generally more widely distributed across the market compared to international titles
- Some impact of competitor openings in Poland.

On a Pro Forma basis, net total screens increased by 11 in the 12 months from the end of Q1 2014 due to the opening of one new site in Poland, the addition of eleven screens at existing cinemas, and the closure of the Portuguese site.

Cost of Sales

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Total cost of sales	(80.2)	(80.1)	(0.0%)	(80.2)	(80.1)	(0.0%)

Cost of sales increased by £0.1m (0.0%), to £80.2m in Q1 2015 driven by higher admissions.

Administrative Expenses (excluding rent)

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Total administrative expenses (excluding rent)	(51.9)	(52.7)	1.6%	(51.9)	(52.7)	1.6%

Q1 2015 administrative expenses decreased £0.8m (1.6%) to £51.9m due to lower staff costs and other controllable expenses.

Rentals under Operating Leases on Land and Buildings

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Rentals under operating leases on land and buildings	(31.3)	(32.3)	3.0%	(31.3)	(32.3)	3.0%

Quarter on quarter operating lease rentals on land and buildings decreased by £1.0m (3.0%) to £31.3m primarily due to the closure of Portugal and FX impact.

Consolidated EBITDA

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Consolidated EBITDA	47.3	45.5	4.0%	47.3	45.5	4.0%

Consolidated EBITDA was up £1.8m (4.0%) to £47.3m quarter on quarter. Consolidated EBITDA margin of 22.5%, was up 0.9ppt on Q1 2014.

Capital Expenditures

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Total capital expenditure (net of Landlords Contribution)	(4.6)	(8.9)	49.0%	(4.6)	(8.9)	49.0%

In the quarter to 26 February 2015 total capital expenditure decreased by £4.3m (49.0%), to £4.6m. The decrease is primarily attributable to higher expenditure on new sites in Q1 2014 including Gateshead in the UK and Katowice in Poland.

Outstanding Indebtedness and Cash

The following discussion relates to Bidco. For the definition of defined terms please refer to the Offering Memorandum. More detail as to the outstanding Indebtedness can be found in the audited condensed consolidated financial statements in addition to this report.

As at 26 February 2015, Bidco's total third party borrowings were £550.9m (net of unamortised debt issuance costs of £16.8m), of which the Notes represent £562.8m, other loans represent £4.9m and drawings on the revolving credit facility are nil.

As at 26 February 2015 Bidco had total cash and cash equivalents of £41.1m. £37.4m related to unrestricted cash and £3.8m of restricted cash relating to rental deposits.

RECENT DEVELOPMENTS

The Space

The current quarter represents the first full quarter of ownership of The Space Entertainment following the acquisition which was completed during November 2014. Significant profits have been delivered during this quarter and integration workstreams are now largely completed, with the focus now turning to making further progress on key development workstreams including pricing, screen advertising, procurement and other operational efficiencies.

Meerkat Movies

A new UK-wide cinema offer was recently launched in conjunction with comparethemarket.com, one of the leading price comparison websites in the UK. This offer extends to eligible customers being able to purchase two-for-one tickets on Tuesdays as well as Wednesdays and has been accompanied by a significant marketing campaign involving TV advertisements starring Arnold Schwarzenegger.

First IMAX screen in Denmark

We recently announced an agreement to introduce a new IMAX screen to Denmark. Our CinemaxX site in Copenhagen will be screening the upcoming title *The Avengers Age Of Ultron* in full IMAX technology. This is the first commercial theatre agreement for IMAX in Denmark and follows a recent expansion to our Copenhagen site where four other new screens were opened in December 2014.

OUTLOOK

Continued strong market performance with all major territories up year on year with the exception of Poland

In the UK & Ireland market admissions in March 2015 were up 15.7% on March 2014. Top grossing titles were *The Second Best Exotic Marigold Hotel* £14.2m, *Home* £12.2m and *Cinderella* £7.4m

German market admissions in March 2015 were up 7.7% on March 2014. Top grossing titles were *Fifty Shades of Grey* €9.0m, *American Sniper* €7.1m and local title *Traumfrauen* €6.3m

Poland market admissions in March 2015 were down 1.9% on March 2014. Top grossing titles were local title *Disco Polo* zł8.4m, *Cinderella* zł5.7m and another local title *Body/Cialo* zł4.4m

Italian market admissions in March were up 7.4% on March 2014. Top grossing titles were *Cinderella* €12.9m, *Focus* €5.0m and local title *Ma Che Bella Sorpresa* €4.6m

Upcoming releases (Q2) include *Fast & Furious 7* which opened very strongly in all territories, *The Avengers: Age of Ultron*, *Pitch Perfect 2* and *Mad Max: Fury Road*

Highly anticipated local titles include *Der Nanny* in Germany; the continuing runs of *Disco Polo* and *Body/Cialo* in Poland; and *La Giovinezza* and *Mia Madre* in Italy.

CONFERENCE CALL

There will be a conference call for investors at 3.00pm on 15 April 2015. The dial-in number is **+44 (0) 20 7073 8804** (Standard International Access) or 0800 368 0737 (UK Toll Free), please inform the operator you are joining the **“Vougeot Bidco”** conference call. Additional international toll free numbers are available in the USA (1 877 406 7969), France (0805 101393) and Germany (0800 664 5033).

Shortly after the conclusion of the call an audio recording will be made available for replay for 7 days via the following dial-in: +44 (0) 20 8196 1998 followed by your access pin#.

Vougeot Bidco plc Pro Forma Consolidated Profit and Loss Account (unaudited)
For the period ended 26 February 2015¹

	Bidco For the 13 weeks ended 26 February 2015	Bidco For the 13 weeks ended 27 February 2014	Bidco For the 13 weeks ended 26 February 2015	Bidco For the 13 weeks ended 27 February 2014
£m (unaudited)			Pro Forma	
Turnover	210.8	210.7	210.8	210.7
Cost of sales	(80.2)	(80.1)	(80.2)	(80.1)
	130.6	130.6	130.6	130.6
Administration expenses (as per management)	(51.9)	(52.7)	(51.9)	(52.7)
Rentals under operating leases on land and buildings	(31.3)	(32.3)	(31.3)	(32.3)
Consolidated EBITDA	47.3	45.5	47.3	45.5
Non-cash/ non-recurring items	22.7	2.0	22.7	2.0
Depreciation	(11.2)	(12.0)	(11.2)	(12.0)
Amortisation	(10.1)	(9.4)	(10.1)	(9.4)
Group operating profit/(loss)	48.8	26.2	48.8	26.2
Turnover	210.8	210.7	210.8	210.7
Cost of sales	(80.2)	(80.1)	(80.2)	(80.1)
	130.6	130.6	130.6	130.6
Administration expenses	(81.8)	(104.4)	(81.8)	(104.4)
Group operating profit/(loss)	48.8	26.2	48.8	26.2
Depreciation	11.2	12.0	11.2	12.0
Amortisation	10.1	9.4	10.1	9.4
EBITDA	70.1	47.5	70.1	47.5
Non-cash/ non-recurring items	(22.7)	(2.0)	(22.7)	(2.0)
Consolidated EBITDA	47.3	45.5	47.3	45.5
Rentals under operating leases on land and buildings	31.3	32.3	31.3	32.3
Consolidated EBITDAR	78.7	77.8	78.7	77.8
Administration expenses (as per management)	(51.9)	(52.7)	(51.9)	(52.7)
Rentals under operating leases on land and buildings	(31.3)	(32.3)	(31.3)	(32.3)
Depreciation	(11.2)	(12.0)	(11.2)	(12.0)
Amortisation	(10.1)	(9.4)	(10.1)	(9.4)
Non-cash/ non-recurring items	22.7	2.0	22.7	2.0
Administration expenses	(81.8)	(104.4)	(81.8)	(104.4)

¹ For basis of preparation of Pro Forma financial information, refer to page 3 of this report, Presentation of Financial Data.

Vougeot Bidco plc As Acquired Consolidated Profit and Loss Account (unaudited)

For the period ended 26 February 2015 ⁽¹⁾

	Bidco For the 13 weeks ended 26 February 2015	Bidco For the 13 weeks ended 27 February 2014	Bidco For the 13 weeks ended 26 February 2015	Bidco For the 13 weeks ended 27 February 2014
£m (unaudited)			As Acquired	
Turnover	210.8	165.1	210.8	165.1
Cost of sales	(80.2)	(63.0)	(80.2)	(63.0)
	130.6	102.1	130.6	102.2
Administration expenses (as per management)	(51.9)	(41.2)	(51.9)	(41.2)
Rentals under operating leases on land and buildings	(31.3)	(25.6)	(31.3)	(25.6)
Consolidated EBITDA	47.3	35.3	47.3	35.4
Non-cash/ non-recurring items	22.7	3.1	22.7	3.1
Depreciation	(11.2)	(10.2)	(11.2)	(10.2)
Amortisation	(10.1)	(9.4)	(10.1)	(9.4)
Group operating profit/(loss)	48.8	18.8	48.8	18.8
Turnover	210.8	165.1	210.8	165.1
Cost of sales	(80.2)	(63.0)	(80.2)	(63.0)
	130.6	102.1	130.6	102.2
Administration expenses	(81.8)	(83.3)	(81.8)	(83.4)
Group operating profit/(loss)	48.8	18.8	48.8	18.8
Depreciation	11.2	10.2	11.2	10.2
Amortisation	10.1	9.4	10.1	9.4
EBITDA	70.1	38.4	70.1	38.4
Non-cash/ non-recurring items	(22.7)	(3.1)	(22.7)	(3.1)
Consolidated EBITDA	47.3	35.3	47.3	35.4
Rentals under operating leases on land and buildings	31.3	25.6	31.3	25.6
Consolidated EBITDAR	78.7	60.9	78.7	60.9
Administration expenses (as per management)	(51.9)	(41.2)	(51.9)	(41.2)
Rentals under operating leases on land and buildings	(31.3)	(25.6)	(31.3)	(25.6)
Depreciation	(11.2)	(10.2)	(11.2)	(10.2)
Amortisation	(10.1)	(9.4)	(10.1)	(9.4)
Non-cash/ non-recurring items	22.7	3.1	22.7	3.1
Administration expenses	(81.8)	(83.3)	(81.8)	(83.4)

¹ For basis of preparation of As Acquired financial information refer to page 3 of this Report, Presentation of Financial Data.

Supplemental Information

Reconciliation of Bidco As Acquired to Vougeot Bidco plc Condensed Consolidated Profit and Loss Account (unaudited)⁽²⁾ For the period ended 26 February 2015

	Bond reporting For the 13 weeks ended 26 February 2015	Adjs ⁽¹⁾	Statutory reporting For the 13 weeks ended 26 February 2015	Bond reporting For the 13 weeks ended 26 February 2015	Adjs ⁽¹⁾	Statutory reporting For the 13 weeks ended 26 February 2015
As Acquired						
£m (unaudited)						
Turnover	210.8	-	210.8	210.8	-	210.8
Cost of sales	(80.2)	(0.0)	(80.2)	(80.2)	(0.0)	(80.2)
Gross margin	130.6	(0.0)	130.6	130.6	(0.0)	130.6
Administration expenses (as per management)	(51.9)	(0.9)	(52.8)	(51.9)	(0.9)	(52.8)
Operating lease rentals - land and buildings	(31.3)	-	(31.3)	(31.3)	-	(31.3)
Consolidated EBITDA	47.3	(0.9)	46.5	47.3	(0.9)	46.5
Non-cash/ non-recurring items	22.7	(22.7)	-	22.7	(22.7)	-
Depreciation	(11.2)	-	(11.2)	(11.2)	-	(11.2)
Amortisation	(10.1)	-	(10.1)	(10.1)	-	(10.1)
Group operating profit/(loss)	48.8	(23.6)	25.2	48.8	(23.6)	25.2
Gross margin	62.0%		62.0%	62.0%		62.0%
Consolidated EBITDA margin	22.4%		22.0%	22.4%		22.0%
Turnover	210.8	-	210.8	210.8	-	210.8
Cost of sales	(80.2)	(0.0)	(80.2)	(80.2)	(0.0)	(80.2)
Gross margin	130.6	(0.0)	130.6	130.6	(0.0)	130.6
Administration expenses	(81.8)	(23.6)	(105.4)	(81.8)	(23.6)	(105.4)
Group operating profit/(loss)	48.8	(23.6)	25.2	48.8	(23.6)	25.2
Depreciation	11.2	-	11.2	11.2	-	11.2
Amortisation	10.1	-	10.1	10.1	-	10.1
EBITDA	70.1	(23.6)	46.5	70.1	(23.6)	46.5
Non-cash/ non-recurring items	(22.7)	22.7	-	(22.7)	22.7	-
Consolidated EBITDA	47.3	(0.9)	46.5	47.3	(0.9)	46.5
Operating lease rentals - land and buildings	31.3	-	31.3	31.3	-	31.3
Consolidated EBITDAR	78.7	(0.9)	77.8	78.7	(0.9)	77.8
Administration expenses (as per management)	(51.9)	(0.9)	(52.8)	(51.9)	(0.9)	(52.8)
Operating lease rentals - land and buildings	(31.3)	-	(31.3)	(31.3)	-	(31.3)
Depreciation	(11.2)	-	(11.2)	(11.2)	-	(11.2)
Amortisation	(10.1)	-	(10.1)	(10.1)	-	(10.1)
Non-cash/ non-recurring items	22.7	(22.7)	-	22.7	(22.7)	-
Administration expenses	(81.8)	(23.6)	(105.4)	(81.8)	(23.6)	(105.4)

¹ Adjustments and reclassifications.

² For basis of preparation of As Acquired financial information refer to page 3 of this Report, Presentation of Financial Data.

Registered number: 08514872

VOUGEOT BIDCO PLC

UNAUDITED

FINANCIAL STATEMENTS

FOR THE 13 WEEKS ENDED 26 FEBRUARY 2015

VOUGEOT BIDCO PLC

**INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (unaudited)
FOR THE PERIOD ENDED 26 FEBRUARY 2015**

	Period ended 26 February 2015 £000	Period ended 27 February 2014 £000
TURNOVER	210,762	166,075
Cost of sales	<u>(80,176)</u>	<u>(62,959)</u>
GROSS PROFIT	130,586	103,116
Administrative expenses	<u>(105,417)</u>	<u>(84,302)</u>
OPERATING PROFIT	25,169	18,814
Interest receivable and similar income	31	127
Interest payable and similar charges	<u>(3,344)</u>	<u>(24,323)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	21,856	(5,382)
Tax on profit/(loss) on ordinary activities	<u>(5,700)</u>	<u>(2,657)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	16,156	(8,039)
Minority interests	<u>(46)</u>	<u>(284)</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	<u>16,110</u>	<u>(8,323)</u>

All amounts relate to continuing operations.

There are no material differences between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the financial Period stated above and their historical cost equivalents.

VOUGEOT BIDCO PLC

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
(Unaudited) FOR THE PERIOD ENDED 26 FEBRUARY 2015**

	Period ended 26 February 2015 £000	Period ended 27 February 2014 £000
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	16,110	(8,323)
Foreign exchange movement	<u>(17,875)</u>	<u>(1,642)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u><u>(1,765)</u></u>	<u><u>(9,965)</u></u>

VOUGEOT BIDCO PLC

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)
AS AT 26 FEBRUARY 2015**

	Note	26 February 2015 £000	27 November 2014 £000
FIXED ASSETS			
Intangible assets	2	748,789	766,405
Tangible assets	3	348,919	366,706
Investments in associates		<u>162</u>	<u>176</u>
		1,097,870	1,133,287
CURRENT ASSETS			
Stocks	4	4,625	4,382
Debtors: amounts falling due after more than one year	5	23,398	27,345
Debtors: amounts falling due within one year	5	65,633	73,629
Cash at bank	6	<u>41,112</u>	<u>61,349</u>
		134,768	166,705
CREDITORS: amounts falling due within one year	7	<u>(155,852)</u>	<u>(212,189)</u>
NET CURRENT LIABILITIES		<u>(21,084)</u>	<u>(45,484)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,076,786</u>	<u>1,087,803</u>
CREDITORS: amounts falling due after more than one year	8	1,148,837	1,157,729
PROVISIONS FOR LIABILITIES			
Other provisions	10	41,213	42,083
CAPITAL AND RESERVES			
Called up share capital	11	4,718	4,718
Share based payments reserve		3,202	2,688
Profit and loss account		<u>(121,231)</u>	<u>(119,466)</u>
		(113,311)	(112,060)
		1,076,739	1,087,752
MINORITY INTERESTS		<u>47</u>	<u>51</u>
		<u>1,076,786</u>	<u>1,087,803</u>

VOUGEOT BIDCO PLC

**CONSOLIDATED CASH FLOW STATEMENT (unaudited)
FOR THE PERIOD ENDED 26 FEBRUARY 2015**

	Note	Period ended 26 February 2015 £000	Period ended 27 February 2014 £000
Net cash flow from operating activities	13	52,496	30,363
Returns on investments and servicing of finance	14	(16,909)	(17,005)
Taxation		(572)	(367)
Capital expenditure and financial investment	14	(4,623)	(13,334)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		30,392	(343)
Financing	14	(46,061)	14,593
(DECREASE)/INCREASE IN CASH		(15,669)	14,250

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE PERIOD ENDED 26 FEBRUARY 2015**

	26 February 2015 £000	27 November 2014 £000
(Decrease)/Increase in cash	(15,669)	2,879
Cash outflow/(inflow) from debt and lease financing	46,061	(64,350)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	30,392	(61,471)
Changes relating to non-cash and foreign exchange	5,838	(72,719)
MOVEMENT IN NET DEBT IN THE PERIOD	36,230	(134,190)
Opening net debt	(1,096,144)	(961,954)
CLOSING NET DEBT	(1,059,914)	(1,096,144)

VOUGEOT BIDCO PLC

1. BASIS OF PREPARATION

Basis of preparation of financial statements

The unaudited interim condensed financial statements of Vougeot Bidco plc ("the Company") and its subsidiaries (collectively "the Group") have been prepared under the historical cost convention and applicable accounting standards in the United Kingdom ("UK GAAP reporting").

The accounting policies adopted are consistent with those applied in the audited annual report and financial statements of Vougeot Bidco plc for the period to 27 November 2014. The directors have prepared these financial statements for the purposes of reporting in connection with the senior secured fixed sterling and floating euro rate notes.

The comparative results for the prior period refer to the 13 weeks ended 27 February 2014. The comparative results for the balance sheet refer to annual audited balance sheet as at 27 November 2014.

2. INTANGIBLE FIXED ASSETS

Group	Intangible Assets £000	Goodwill £000	Total £000
Cost			
At 28 November 2014	629	814,035	814,664
Additions	70	-	70
Foreign exchange movement	-	(7,759)	(7,759)
	<u>698</u>	<u>806,276</u>	<u>806,974</u>
At 26 February 2015	<u>698</u>	<u>806,276</u>	<u>806,974</u>
Amortisation			
At 28 November 2014	-	48,259	48,259
Charge for the period	-	10,068	10,068
Foreign exchange movement	-	(143)	(143)
	<u>-</u>	<u>58,185</u>	<u>58,185</u>
At 26 February 2015	<u>-</u>	<u>58,185</u>	<u>58,185</u>
Net book value			
At 26 February 2015	<u>698</u>	<u>748,091</u>	<u>748,789</u>
At 27 November 2014	<u>629</u>	<u>765,776</u>	<u>766,405</u>

Intangible Assets

Development costs attributable to unique software products are recognised when it is technically feasible to complete the software product and future economic benefits can be demonstrated.

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3. TANGIBLE FIXED ASSETS

	26 February 2015 £000	27 November 2014 £000
Opening net book value	366,706	356,271
Additions	3,746	25,584
Acquisition of subsidiaries	-	37,573
Disposals	(3)	(442)
Depreciation	(11,195)	(38,620)
Impairment charge	-	(9,140)
Foreign exchange movement	(10,332)	(4,519)
Total	<u>348,919</u>	<u>366,706</u>

The additions for the period include an amount of £2.8m (2014: £3.7m) of capital expenditure accrued as at 26 February 2015 relating to expenditure on new sites and other projects.

4. STOCKS

	26 February 2015 £000	27 November 2014 £000
Finished goods and goods for resale	<u>4,625</u>	<u>4,382</u>

5. DEBTORS

	26 February 2015 £000	27 November 2014 £000
Due after more than one year		
Deferred tax	<u>23,398</u>	<u>27,345</u>
	<u>23,398</u>	<u>27,345</u>
Due within one year		
Trade debtors	26,108	28,396
Other tax debtors	8,512	14,528
Other debtors	7,466	8,142
Prepayments and accrued income	<u>23,547</u>	<u>22,564</u>
	<u>65,633</u>	<u>73,630</u>
Total	<u>89,031</u>	<u>100,975</u>

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6. CASH AT BANK

	26 February 2015 £000	27 November 2014 £000
Cash - unrestricted	37,352	57,270
Cash - restricted	<u>3,760</u>	<u>4,079</u>
Total	<u>41,112</u>	<u>61,349</u>

Restricted cash relates to certain bank guarantees in relation to the Group's operating sites in Germany.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	26 February 2015 £000	27 November 2014 £000
Trade creditors	50,553	68,932
Amounts owed to group undertakings	89	92
Other taxation and social security	1,272	1,323
Other creditors	5,057	4,783
Net obligations under finance leases	1,760	1,760
Corporation tax	6,185	3,279
Accruals and deferred income	93,301	85,774
Bank loans and other loans (note 9)	<u>(2,365)</u>	<u>46,246</u>
Total	<u>155,852</u>	<u>212,189</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	26 February 2015 £000	27 November 2014 £000
Accruals and deferred income	47,207	48,243
Net obligations under finance leases	2,024	3,038
Senior Secured notes and other loans	549,065	570,607
Shareholder loans	<u>550,541</u>	<u>535,841</u>
Total	<u>1,148,837</u>	<u>1,157,729</u>

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9. LOAN CAPITAL AND BORROWINGS

	26 February 2015 £000	27 November 2014 £000
Loans: amounts falling due within one year		
Revolving credit facility	-	18,117
Capitalised issue costs	(3,037)	(3,037)
Bank loans	544	30,977
External loans	<u>128</u>	<u>189</u>
	<u>(2,365)</u>	<u>46,246</u>
Loans: amounts falling due after more than one year		
Senior secured euro - floating notes	262,829	285,126
Senior secured sterling - fixed notes	300,000	300,000
Capitalised issue costs	(13,764)	(14,519)
External loans	399	417
Shareholder loans	<u>550,142</u>	<u>535,424</u>
	<u>1,099,606</u>	<u>1,106,448</u>
Total	<u><u>1,097,241</u></u>	<u><u>1,152,694</u></u>

Senior Secured Notes

Senior secured fixed rate sterling denominated notes of £300m were issued on 18 July 2013 with a termination date of 15 July 2020. Interest is fixed at 7.875% and payable on a semi-annual basis.

Senior secured floating rate euro denominated notes of €290m (£211.7m) were issued on 18 July 2013 with a termination date of 15 July 2020. Interest is floating at three month EURIBOR plus a margin of 525 bps. Interest is payable on a quarterly basis. An Original Issue Discount fee (OID) of €1.2m (£1.0m) was paid on the date of issue of the notes.

A further €70m (£51.1m) issue of the senior secured floating rate euro denominated notes occurred on 11 November 2014 with the same terms as the previous notes. The termination date is 15 July 2020. Interest is floating at three month EURIBOR plus a margin of 525 bps and is payable on a quarterly basis. An Original Issue Discount fee (OID) of €1.8m (£1.4m) was paid on the date of issue of the notes.

Revolving Credit Facility

The Group is able to draw on a £50m multicurrency revolving credit and overdraft facility with Lloyds Bank plc. At 26 February 2015 there were no drawings against the revolver. The facility is available until August 2019. The facility bears interest at LIBOR, EURIBOR, CIBOR or WIBOR depending on the currency drawn down plus a margin of 3.5%. In addition the Group has retained local working capital facilities of €15m which were in place at the time of the acquisition of Capitololette S.r.l and its subsidiaries which includes The Space Entertainment S.p.A (together "TSC"). At 26 February 2015 there were no drawings against this facility. The facility is available until 30 June 2016.

Swap Contracts

On 8 August 2013 the Company entered into two swaps with Lloyds Bank plc (Lloyds) and Normura International plc (Nomura) to hedge the interest payable on the senior secured notes. Both swaps have a notional value of €115.9m and a termination date of 15 July 2016. Under the Lloyds swap the Company pays a fixed interest rate of 1.147% above a fixed EURIBOR value. Under the Nomura swap the Company pays a fixed interest rate of 1.027% above a fixed EURIBOR value.

Capitalised Issue Costs

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Costs incurred in issuing the senior secured notes and the revolving credit and overdraft facility are capitalised and are allocated to the profit and loss account over the terms of the related debt facility. At 26 February 2015 borrowings are stated net of unamortised issue costs of £16.8m (2014: £17.6m).

Security

The senior secured notes and revolving credit facility are secured by cross guarantees and charges over certain of the Group's shares and assets.

Bank Loans

Upon the 12 November 2014 acquisition of TSC, the Vue Group was required to re-pay £29.5m of external bank loans in Space owing to pre-existing change of control clauses. This debt was paid subsequent to the year end on 10 December 2014. The remaining bank term loans had no associated change of control clauses and therefore have not been repaid. These loans have a variety of maturity dates.

External Loans

These relate to loans from the German Federal Film Fund (FFA). These loans have a variety of maturity dates with the last due to be repaid in 2021.

Shareholder Loans due after more than One Year

Shareholder loans bear interest of 11.0% and have a termination date of 9 August 2033. Early repayment can be requested but not before the termination of the senior secured notes. As at 26 February 2015 accrued interest totalled £78.3m (2014: £63.6m).

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10. PROVISION FOR LIABILITIES

	Property provisions £000	Jubilee retirement £000	Total £000
Provisions			
At 28 November 2014	40,148	1,935	42,083
Additions	5	-	5
Utilised during the period	(1,229)	(70)	(1,299)
Unwinding of the discount factor	751	-	751
Foreign exchange movement	<u>(181)</u>	<u>(146)</u>	<u>(327)</u>
At 26 February 2015	<u>39,494</u>	<u>1,719</u>	<u>41,213</u>

11. SHARE CAPITAL

	26 February 2015 £000	27 November 2014 £000
Allotted, called up and fully paid		
4,718,100 Ordinary shares of £1 each	<u>4,718</u>	<u>4,718</u>

12. RECONCILIATION OF SHAREHOLDERS' DEFICIT

	26 February 2015 £000	27 November 2014 £000
Opening shareholders' deficit	(112,060)	(17,410)
Profit/(loss) for the period	16,110	(90,808)
Share based payments expense	515	2,688
Foreign exchange movement	<u>(17,875)</u>	<u>(6,530)</u>
Closing shareholders' deficit	<u>(113,310)</u>	<u>(112,060)</u>

13. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 26 February 2015 £000	Period ended 27 February 2014 £000
Operating profit	25,169	18,814
Amortisation of intangible fixed assets	10,068	9,369
Depreciation of tangible fixed assets	11,215	10,247
Non cash operating items	(1,607)	(4,482)
(Profit)/loss on disposal of tangible fixed assets	(3)	-
Increase in stocks	(469)	(38)
Increase in debtors	(890)	(1,858)
Increase/(decrease) in creditors	9,013	(1,689)
	<hr/>	<hr/>
Net cash inflow	<u>52,496</u>	<u>30,363</u>

14. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Period ended 26 February 2015 £000	Period ended 27 February 2014 £000
Returns on investments and servicing of finance		
Interest received	31	127
Interest paid	(16,890)	(17,132)
Dividends paid to minority interests	(50)	-
	<hr/>	<hr/>
Net cash outflow	<u>(16,909)</u>	<u>(17,005)</u>

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14. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	Period ended 26 February 2015 £000	Period ended 27 February 2014 £000
Capital expenditure and financial investment		
Acquisitions	-	(4,898)
Purchase of tangible fixed assets	(5,124)	(9,261)
Landlord contributions	495	825
Sale of tangible fixed assets	6	-
Net cash outflow	<u>(4,623)</u>	<u>(13,334)</u>

	Period ended 26 February 2015 £000	Period ended 27 February 2014 £000
Financing		
Revolving credit facility drawings	-	15,000
Repayment of bank loans	(45,408)	-
Repayment of other loans	(653)	(407)
Net Cash (Outflow)/Inflow	<u>(46,061)</u>	<u>14,593</u>

15. ANALYSIS OF CHANGES IN NET DEBT

	28 November 2014 £000	Cash flow £000	Other non-cash changes £000	Exchange Movement £000	26 February 2015 £000
Cash at bank and in hand	61,349	(15,669)	-	(4,568)	41,112
Debt:					
Debts due within one year	(48,006)	45,483	(15)	3,142	604
Debts falling due after more than one year	<u>(1,109,487)</u>	<u>578</u>	<u>(15,471)</u>	<u>22,750</u>	<u>(1,101,630)</u>
Net Debt	<u>(1,096,144)</u>	<u>30,392</u>	<u>(15,486)</u>	<u>21,324</u>	<u>(1,059,914)</u>

Non-cash movements greater than one year relate to accrued interest and amortisation of issue costs.

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16. TAXATION

Income tax is recognised based on management's best estimate of the annual income tax rate expected for the financial period.

17. FINANCIAL RISK MANAGEMENT

The interim condensed consolidated financial statements do not include the financial risk management information and disclosures required in annual financial statements. A description of major risk factors considered by the Group can be found in the audited annual report and financial statements of Vougeot Bidco plc for the period to 27 November 2014, a copy of which is available on the group website (<http://corporate.myvue.com/home/investor-relations>).