

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")

Q2 2015 - PERIOD ENDED 28 May 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 28 May 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 28 February 2014 to 29 May 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	Q2			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Major Major Territories Market GBOR	580.9	551.0	5.4%	1,380.4	1,339.4	3.1%
Vue Major Territories GBOR	109.1	104.8	4.1%	260.2	254.4	2.3%
Turnover	155.0	149.8	3.4%	365.7	360.5	1.4%
Consolidated EBITDA	22.2	15.4	43.7%	69.5	61.0	14.0%
Capital expenditure	5.3	6.3	(16.2%)	9.9	15.2	(34.7%)
Admissions (m)	17.9	17.0	5.5%	43.0	41.0	4.8%
Number of screens	1,748	1,730	1.0%	1,748	1,730	1.0%
Average ticket price ("ATP") (£)	5.66	5.77	(2.0%)	5.63	5.82	(3.3%)
Concession spend per person ("SPP") (£)	1.90	1.90	0.3%	1.86	1.85	0.3%

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

- Major Territories Market GBOR increased by 5.4% vs. Q2 2014 driven by a stronger international film slate
- Vue Major Territories GBOR increased by 4.1% to £109.1m with market share at 18.8%, down marginally on Vue's 19.0% share in Q2 2014
- Group Turnover increased by £5.2m (3.4%) to £155.0m. In constant currency the quarter on quarter growth was 10.6%
- ATP was up by 4.4% in constant currency in Q2 2015 but adverse FX rates resulted in a reduction of 11p or 2.0%
- SPP was up by 7.0% in constant currency in Q2 2015 but adverse FX rates resulted in the reported metric being constant at £1.90
- Consolidated EBITDA increased by £6.8m (43.7%) vs Q2 2014 to £22.2m. In constant currency this increase was even more significant, representing an increase of 53.9%
- The reduction in capex in 2015 is attributable to phasing and to lower new site activity (2014 YTD included two new sites at Gateshead in the UK and Katowice in Poland whereas 2015 YTD reflects one new site in Farnborough, UK).

OPERATIONAL AND FINANCIAL REVIEW

Markets

Market Admissions for Q2 2015 were up across all markets UK 10.8%, Germany 10.5%, Italy 1.9% and Poland 7.2%. Market GBOR was also up in UK 16.6%, Germany 12.2%, Italy 7.1% and Poland 10.7%.

Turnover

£m	Q2			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Total turnover	155.0	149.8	3.4%	365.7	360.5	1.4%
<i>Operational data</i>						
Admissions (m)	17.9	17.0	5.5%	43.0	41.0	4.8%
ATP (£)	5.66	5.77	(2.0%)	5.63	5.82	(3.3%)
SPP (£)	1.90	1.90	0.3%	1.86	1.85	0.3%
Total revenue per person (£)	8.64	8.82	(2.0%)	8.51	8.80	(3.2%)
Number of screens	1,748	1,730	1.0%	1,748	1,730	1.0%

Group Turnover for Q2 2015 increased by £5.2m (3.4%) to £155.0m principally as a result of a 5.5% increase in admissions compared to Q2 2014.

- ATP was down by 11p or 2.0% due to adverse FX movements. On a constant currency basis ATP was up by 4.4%.
- SPP was up by 7.0% in constant currency in Q2 2015 but adverse FX rates resulted in the reported metric being constant at £1.90

GBOR Market Share at 18.8% in Q2 2015 was 0.2ppt down against Q2 2014. This slight reduction was influenced by:

- A lower number of 3D titles in Germany in the quarter which reduced the overall share delivered by CinemaxX; and
- New site openings in the market, notably in Germany and in the UK.

On a Pro Forma basis, net total screens increased by 18 in the 12 months from the end of Q2 2014 due to the opening of one new site in Poland (Oltsyn in Q4 2014) and one new site in the UK (Farnborough in Q2 2015), the addition of eleven screens at existing cinemas, and the closure of the Portuguese site.

Cost of Sales

£m	Q2			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Total cost of sales	(58.5)	(56.2)	(4.1%)	(138.7)	(136.4)	(1.7%)

Cost of sales increased by £2.3m, or 4.1%, to £58.5m in Q2 2015 driven by higher admissions. Gross profit increased by 3% from £93.6m in Q2 2014 to £96.5m in Q2 2015. However in constant currency this increase in gross profit was 10.2%. Gross profit margins were relatively constant at 62.2% in Q2 2015 vs 62.5% in Q2 2014.

Administrative Expenses (excluding rent)

£m	Q2			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Total administrative expenses (excluding rent) ⁽¹⁾	(43.6)	(46.2)	5.6%	(95.6)	(99.0)	3.4%

Q2 2015 administrative expenses decreased by £2.6m, or 5.6%, to £43.6m due to lower staff costs and other controllable expenses and FX movements. As a % of revenue administrative expenses reduced from 30.8% in Q2 2014 to 28.2% in Q2 2015.

Rentals under Operating Leases on Land and Buildings

£m	Q2			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Rentals under operating leases on land and buildings	(30.7)	(32.0)	4.1%	(62.0)	(64.3)	3.6%

Q2 2015 rent costs decreased by £1.3m, or 4.1%, to £30.7m primarily due to the closure of Portugal and the strengthening of Sterling against the Euro and Polish zloty offset by rent costs attributable to the opening of new sites in Oltsyn in Poland and one month of rent in Farnborough in the UK.

Consolidated EBITDA

£m	Q2			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Consolidated EBITDA ⁽¹⁾	22.2	15.4	43.7%	69.5	61.0	14.0%

Consolidated EBITDA was up £6.8m, or 43.7%, to £22.2m quarter on quarter. In constant currency the consolidated EBITDA growth quarter on quarter was 53.9%. The consolidated EBITDA margin of 14.3%, was up by 4.0ppt on Q2 2014.

Capital Expenditures

£m	Q2			YTD		
	Pro Forma			Pro Forma		
	2015	2014	% change	2015	2014	% change
Total capital expenditure (net of Landlords Contribution)	(5.3)	(6.3)	16.2%	(9.9)	(15.2)	34.7%

In 2015 capital expenditure has been below the levels recorded in 2014 due mainly to phasing and to lower new site activity (2014 YTD included two new sites at Gateshead in the UK and Katowice in Poland whereas 2015 YTD reflects one new site in Farnborough, UK).

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 28 May 2015, Bidco's total third party borrowings were £545.2m (net of unamortised debt issuance costs of £16.0m), of which the Notes represent £556.4m, other loans represent £4.5m and drawings on the revolving credit facility were £0.3m.

As at 28 May 2015 Bidco had total cash and cash equivalents of £26.9m comprising £23.2m of unrestricted cash and £3.7m of restricted cash relating to rental deposits.

RECENT DEVELOPMENTS

During Q2 2015 Vue successfully launched its first IMAX screen. The screen opened at CinemaxX in Copenhagen during April. This is also the first IMAX screen in Denmark. During the quarter Vue also opened a state-of-the-art 7 screen, 900 seat cinema in Farnborough in the UK. Two further IMAX screens are planned to be launched in the UK during Q3 2015 at Vue's existing sites at Cheshire Oaks and Leeds Kirkstall.

OUTLOOK

In the UK & Ireland market admissions in June 2015 were up 26.5% on June 2014. Strong opening from *Jurassic World* £51.2m as top grossing title; *Minions* £14.7m and *San Andreas* £10.5m

German market admissions were up in June 2015 by 46.9% on June 2014. Top grossing title by far was *Jurassic World* €31.4m with *Spy* next on €4.1m

Poland market admissions in June 2015 were up 5.9% on June 2014. Top grossing titles *The Minions* zł14.3m and *Jurassic World* zł11.8m

Italian market admissions in June 2015 were up 23.7% on June 2014. Top grossing titles *Jurassic World* €12.5m and *Fury* €4.0m

Upcoming releases (Q3) include *Terminator Genisys*, *Ant-Man*, *Inside Out* and *Mission Impossible*

Highly anticipated local titles include *Kartoffelsalat* and *Der kleine Rabe Socke 2 - Das große Rennen* in Germany; and *Torno Indietro E Cambio Vita* in Italy

CONFERENCE CALL

There will be a conference call for investors at 2.00pm on 21 July 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 28 May 2015⁽¹⁾

	Bidco For the 13 weeks ended 28 May 2015	Bidco For the 13 weeks ended 29 May 2014	Bidco For the 26 weeks ended 28 May 2015	Bidco For the 26 weeks ended 29 May 2014
£m (unaudited)			Pro Forma	
Turnover	155.0	149.8	365.7	360.5
Cost of sales	(58.5)	(56.2)	(138.7)	(136.4)
	96.5	93.6	227.1	224.2
Administration expenses (as per management)	(43.6)	(46.2)	(95.6)	(99.0)
Rentals under operating leases on land and buildings	(30.7)	(32.0)	(62.0)	(64.3)
Consolidated EBITDA	22.2	15.4	69.5	61.0
Non-cash/ non-recurring items	2.4	(0.8)	25.2	1.2
Depreciation	(11.0)	(11.7)	(22.3)	(23.7)
Amortisation	(10.1)	(9.2)	(20.1)	(18.6)
Group operating profit/(loss)	3.5	(6.3)	52.3	19.9
Turnover	155.0	149.8	365.7	360.5
Cost of sales	(58.5)	(56.2)	(138.7)	(136.4)
	96.5	93.6	227.1	224.2
Administration expenses	(93.0)	(99.9)	(174.7)	(204.3)
Group operating profit/(loss)	3.5	(6.3)	52.3	19.9
Depreciation	11.0	11.7	22.3	23.7
Amortisation	10.1	9.2	20.1	18.6
EBITDA	24.6	14.6	94.7	62.2
Non-cash/ non-recurring items	(2.4)	0.8	(25.2)	(1.2)
Consolidated EBITDA	22.2	15.4	69.5	61.0
Rentals under operating leases on land and buildings	30.7	32.0	62.0	64.3
Consolidated EBITDAR	52.8	47.4	131.5	125.2
Administration expenses (as per management)	(43.6)	(46.2)	(95.6)	(99.0)
Rentals under operating leases on land and buildings	(30.7)	(32.0)	(62.0)	(64.3)
Depreciation	(11.0)	(11.7)	(22.3)	(23.7)
Amortisation	(10.1)	(9.2)	(20.1)	(18.6)
Non-cash/ non-recurring items	2.4	(0.8)	25.2	1.2
Administration expenses	(93.0)	(99.9)	(174.7)	(204.3)

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 28 May 2015⁽¹⁾

£m (unaudited)	Bidco	Bidco	Bidco	Bidco
	For the 13 weeks ended 28 May 2015	For the 13 weeks ended 29 May 2014	For the 26 weeks ended 28 May 2015	For the 26 weeks ended 29 May 2014
	As Acquired			
Turnover	155.0	120.7	365.7	285.9
Cost of sales	(58.5)	(45.2)	(138.7)	(108.1)
	96.5	75.5	227.1	177.8
Administration expenses (as per management)	(46.3)	(37.8)	(98.2)	(79.0)
Rentals under operating leases on land and buildings	(30.7)	(25.4)	(62.0)	(51.0)
Consolidated EBITDA	19.6	12.3	66.9	47.8
Non-cash/ non-recurring Items	5.1	1.7	27.8	4.8
Depreciation	(11.0)	(10.1)	(22.3)	(20.3)
Amortisation	(10.1)	(9.2)	(20.1)	(18.6)
Group operating profit/(loss)	3.5	(5.3)	52.3	13.7
Turnover	155.0	120.7	365.7	285.9
Cost of sales	(58.5)	(45.2)	(138.7)	(108.1)
	96.5	75.5	227.1	177.8
Administration expenses	(93.0)	(80.8)	(174.7)	(164.1)
Group operating profit/(loss)	3.5	(5.3)	52.3	13.7
Depreciation	11.0	10.1	22.3	20.3
Amortisation	10.1	9.2	20.1	18.6
EBITDA	24.6	14.0	94.7	52.6
Non-cash/ non-recurring Items	(5.1)	(1.7)	(27.8)	(4.8)
Consolidated EBITDA	19.6	12.3	66.9	47.8
Rentals under operating leases on land and buildings	30.7	25.4	62.0	51.0
Consolidated EBITDAR	50.2	37.7	128.9	98.8
Administration expenses (as per management)	(46.3)	(37.8)	(98.2)	(79.0)
Rentals under operating leases on land and buildings	(30.7)	(25.4)	(62.0)	(51.0)
Depreciation	(11.0)	(10.1)	(22.3)	(20.3)
Amortisation	(10.1)	(9.2)	(20.1)	(18.6)
Non-cash/ non-recurring Items	5.1	1.7	27.8	4.8
Administration expenses	(93.0)	(80.8)	(174.7)	(164.1)

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 28 May 2015

	Bond reporting For the 13 weeks ended 28 May 2015	Adjs ⁽¹⁾	Statutory reporting For the 13 weeks ended 28 May 2015	Bond reporting For the 26 weeks ended 28 May 2015	Adjs ⁽¹⁾	Statutory reporting For the 26 weeks ended 28 May 2015
As Acquired						
£m (unaudited)						
Turnover	155.0	-	155.0	365.7	-	365.7
Cost of sales	(58.5)	(0.2)	(58.7)	(138.7)	(0.2)	(138.9)
Gross margin	96.5	(0.2)	96.3	227.1	(0.2)	226.8
Administration expenses (as per management)	(46.3)	(1.3)	(47.5)	(98.2)	(2.1)	(100.3)
Operating lease rentals - land and buildings	(30.7)	(0.1)	(30.7)	(62.0)	(0.1)	(62.1)
Consolidated EBITDA	19.6	(1.5)	18.0	66.9	(2.4)	64.5
Non-cash/ non-recurring Items	5.1	(5.1)	-	27.8	(27.8)	-
Depreciation	(11.0)	-	(11.0)	(22.3)	-	(22.3)
Amortisation	(10.1)	-	(10.1)	(20.1)	-	(20.1)
Group operating profit/(loss)	3.5	(6.6)	(3.1)	52.3	(30.2)	22.1
Gross margin	62.2%		62.1%	62.1%		62.0%
Consolidated EBITDA margin	12.6%		11.6%	18.2%		17.6%
Turnover	155.0	-	155.0	365.7	-	365.7
Cost of sales	(58.5)	(0.2)	(58.7)	(138.7)	(0.2)	(138.9)
Gross margin	96.5	(0.2)	96.3	227.1	(0.2)	226.8
Administration expenses	(93.0)	(6.4)	(99.4)	(174.7)	(30.0)	(204.8)
Group operating profit/(loss)	3.5	(6.6)	(3.1)	52.3	(30.2)	22.1
Depreciation	11.0	-	11.0	22.3	-	22.3
Amortisation	10.1	-	10.1	20.1	-	20.1
EBITDA	24.6	(6.6)	18.0	94.7	(30.2)	64.5
Non-cash/ non-recurring Items	(5.1)	5.1	-	(27.8)	27.8	-
Consolidated EBITDA	19.6	(1.5)	18.0	66.9	(2.4)	64.5
Operating lease rentals - land and buildings	30.7	0.1	30.7	62.0	0.1	62.1
Consolidated EBITDAR	50.2	(1.5)	48.7	128.9	(2.4)	126.5
Administration expenses (as per management)	(46.3)	(1.3)	(47.5)	(98.2)	(2.1)	(100.3)
Operating lease rentals - land and buildings	(30.7)	(0.1)	(30.7)	(62.0)	(0.1)	(62.1)
Depreciation	(11.0)	-	(11.0)	(22.3)	-	(22.3)
Amortisation	(10.1)	-	(10.1)	(20.1)	-	(20.1)
Non-cash/ non-recurring Items	5.1	(5.1)	-	27.8	(27.8)	-
Administration expenses	(93.0)	(6.4)	(99.4)	(174.7)	(30.0)	(204.8)

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.

Vougeot Bidco plc

Interim Condensed Consolidated Profit and Loss Account (unaudited) for the period ended 28 May 2015

	13 Weeks ended 28 May 2015 £'000	26 weeks ended 28 May 2015 £'000	13 Weeks ended 29 May 2014 £'000	26 weeks ended 29 May 2014 £'000
TURNOVER	154,969	365,730	120,898	286,972
Cost of sales	<u>(58,700)</u>	<u>(138,877)</u>	<u>(45,158)</u>	<u>(108,117)</u>
GROSS PROFIT	96,269	226,853	75,740	178,855
Administrative expenses	<u>(99,351)</u>	<u>(204,767)</u>	<u>(83,158)</u>	<u>(170,698)</u>
OPERATING (LOSS)/PROFIT	(3,082)	22,086	(7,418)	8,157
Interest receivable and similar income	24	55	20	147
Interest payable and similar charges	2 <u>(20,165)</u>	<u>(23,509)</u>	<u>(22,637)</u>	<u>(43,722)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(23,223)	(1,368)	(30,035)	(35,418)
Tax on loss on ordinary activities	<u>(652)</u>	<u>(6,352)</u>	<u>(796)</u>	<u>(3,453)</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	(23,875)	(7,720)	(30,831)	(38,871)
Minority interests	<u>(26)</u>	<u>(72)</u>	<u>(43)</u>	<u>(327)</u>
LOSS FOR THE FINANCIAL PERIOD	<u>(23,901)</u>	<u>(7,792)</u>	<u>(30,874)</u>	<u>(39,198)</u>

All turnover and operating profit arose from continuing operations.

There is no difference between either the loss on ordinary activities before taxation or the 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 28 May 2015

	13 Weeks ended 28 May 2015 £'000	26 weeks ended 28 May 2015 £'000	13 Weeks ended 29 May 2014 £'000	26 weeks ended 29 May 2014 £'000
LOSS FOR THE FINANCIAL PERIOD	(23,901)	(7,792)	(30,874)	(39,198)
Foreign exchange movement	<u>(4,804)</u>	<u>(22,656)</u>	<u>(1,199)</u>	<u>(2,841)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u>(28,705)</u>	<u>(30,448)</u>	<u>(32,073)</u>	<u>(42,039)</u>

Vougeot Bidco plc

Interim Condensed Consolidated Balance Sheet (unaudited) as at 28 May 2015

	Notes	As at 28 May 2015 £'000	As at 27 November 2014 £'000
FIXED ASSETS			
Intangible assets	3	736,874	766,405
Tangible assets	4	340,275	366,706
Investment in associates		67	176
		<u>1,077,216</u>	<u>1,133,287</u>
CURRENT ASSETS			
Stocks	5	4,504	4,382
Debtors: amounts falling due after more than one year	6	23,541	27,345
Debtors: amounts falling due within one year	6	65,171	73,629
Cash at bank	7	26,915	61,349
		<u>120,131</u>	<u>166,705</u>
CREDITORS: amounts falling due within one year	8	<u>(141,562)</u>	<u>(212,189)</u>
NET CURRENT LIABILITIES		<u>(21,431)</u>	<u>(45,484)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,055,785</u>	<u>1,087,803</u>
CREDITORS: amounts falling due after more than one year	9	1,157,092	1,157,729
PROVISIONS FOR LIABILITIES			
Other provisions	11	40,118	42,083
CAPITAL AND RESERVES			
Called up share capital	12	4,718	4,718
Share based payments reserve		3,716	2,688
Profit and loss account		<u>(149,914)</u>	<u>(119,466)</u>
TOTAL SHAREHOLDERS' DEFICIT		<u>(141,480)</u>	<u>(112,060)</u>
		1,055,730	1,087,752
MINORITY INTERESTS		<u>55</u>	<u>51</u>
CAPITAL EMPLOYED		<u>1,055,785</u>	<u>1,087,803</u>

Vougeot Bidco plc

Interim Condensed Consolidated Cash Flow Statement (unaudited) for the period ended 28 May 2015

		13 Weeks ended 28 May 2015 £'000	26 weeks ended 28 May 2015 £'000	13 Weeks ended 29 May 2014 £'000	26 weeks ended 29 May 2014 £'000
	Notes				
Net cash (outflow)/inflow from operating activities	14	(590)	51,907	11,557	41,921
Return on investments and servicing of finance	15	(4,709)	(21,618)	(4,467)	(21,472)
Taxation		(3,226)	(3,798)	(1,058)	(1,425)
Capital expenditure and financial investment	15	(5,321)	(9,944)	(5,456)	(18,790)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(13,846)	16,547	576	234
Financing	15	276	(45,785)	(13,640)	952
(DECREASE)/INCREASE IN CASH		(13,570)	(29,238)	(13,064)	1,186

Reconciliation of Net Cash Flow to Movement in Net Debt (unaudited) for the period ended 28 May 2015

	28 May 2015 £'000	27 November 2014 £'000
(Decrease)/Increase in cash	(29,238)	2,879
Cash outflow/(inflow) from debt and lease financing	45,785	(64,350)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	16,547	(61,471)
Changes relating to finance leases, non-cash and foreign exchange	(3,556)	(72,719)
MOVEMENT IN NET DEBT IN THE PERIOD	12,991	(134,190)
Opening net debt	(1,096,144)	(961,954)
CLOSING NET DEBT	(1,083,153)	(1,096,144)

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 May 2015

1 Basis of Preparation

The unaudited interim condensed consolidated 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”).

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 and 26 week periods ended 29 May 2014. The comparative results for the balance sheet refer to the annual audited balance sheet as at 27 November 2014.

2 Interest Payable and Similar Charges

	13 Weeks ended 28 May 2015 £'000	26 weeks ended 28 May 2015 £'000	13 Weeks ended 29 May 2014 £'000	26 weeks ended 29 May 2014 £'000
Senior secured notes and bank loans	(10,768)	(21,523)	(10,396)	(20,573)
Amortisation of capitalised issue costs	(754)	(1,509)	(560)	(1,112)
Shareholder loans - rolled up interest	(14,720)	(29,437)	(13,159)	(25,943)
Unwinding of discount factor on provisions	(521)	(1,271)	(808)	(1,618)
Unrealised foreign exchange gains on senior secured notes	6,598	30,231	2,286	5,524
	<u>(20,165)</u>	<u>(23,509)</u>	<u>(22,637)</u>	<u>(43,722)</u>

Unrealised foreign exchange gains arising on the translation of the euro denominated senior secured notes are classified as a financing item. In the comparative to 29 May 2014 these gains were included within administrative expenses. The comparative period has been restated as a result of this change in accounting presentation.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 May 2015

3 Intangible Fixed Assets

	Intangibles £'000	Goodwill £'000	Total £'000
Cost			
At 28 November 2014	629	814,035	814,664
Additions	161	-	161
Foreign exchange	-	(9,791)	(9,791)
	<u>790</u>	<u>804,244</u>	<u>805,034</u>
At 28 May 2015			
Accumulated amortisation			
At 28 November 2014	-	48,259	48,259
Charged for the period	-	20,126	20,126
Foreign exchange	-	(225)	(225)
	<u>-</u>	<u>68,160</u>	<u>68,160</u>
At 28 May 2015			
Net book value			
At 28 May 2015	<u><u>790</u></u>	<u><u>736,084</u></u>	<u><u>736,874</u></u>
At 27 November 2014	<u>629</u>	<u>765,776</u>	<u>766,405</u>

Developments 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.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 May 2015

4 Tangible Fixed Assets

	28 May 2015 £'000	27 November 2014 £'000
Opening net book value	366,706	356,271
Additions	8,850	25,584
Acquisition of subsidiaries	-	37,573
Disposals	(14)	(442)
Depreciation	(22,273)	(38,620)
Impairment charge	-	(9,140)
Foreign exchange movement	(12,994)	(4,520)
Total	<u>340,275</u>	<u>366,706</u>

The additions for the period include an amount of £2.0m (2014: £3.7m) of capital expenditure accrued as at 28 May 2015 relating to expenditure on new sites and other projects.

5 Stocks

	28 May 2015 £'000	27 November 2014 £'000
Finished goods and goods for resale	<u>4,504</u>	<u>4,382</u>

6 Debtors

	28 May 2015 £'000	27 November 2014 £'000
Due after more than one year		
Deferred tax	<u>23,541</u>	<u>27,345</u>
	<u>23,541</u>	<u>27,345</u>
Due within one year		
Trade debtors	21,437	28,396
Other tax debtors	9,481	14,528
Other debtors	12,444	8,141
Prepayments and accrued income	<u>21,809</u>	<u>22,564</u>
	<u>65,171</u>	<u>73,629</u>
Total	<u>88,712</u>	<u>100,975</u>

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 May 2015

7 Cash at Bank

	28 May 2015 £'000	27 November 2014 £'000
Cash - unrestricted	23,247	57,270
Cash - restricted	<u>3,668</u>	<u>4,079</u>
	<u>26,915</u>	<u>61,349</u>

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

8 Creditors: Amounts Falling Due Within One Year

	28 May 2015 £'000	27 November 2014 £'000
Trade creditors	42,876	68,932
Amounts owed to group undertakings	89	92
Other tax and social security	1,253	1,323
Other creditors	5,623	4,783
Net obligations under finance leases	1,760	1,760
Corporation tax	3,555	3,279
Accruals and deferred income	88,511	85,774
Bank and other loans (note 10)	<u>(2,105)</u>	<u>46,246</u>
	<u>141,562</u>	<u>212,189</u>

9 Creditors: Amounts Falling Due After More Than One Year

	28 May 2015 £'000	27 November 2014 £'000
Accruals and deferred income	46,680	48,243
Net obligations under finance leases	1,596	3,038
Senior secured notes net capitalised issue costs	543,379	570,607
Shareholder and external loans	<u>565,437</u>	<u>535,841</u>
Total	<u>1,157,092</u>	<u>1,157,729</u>

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 May 2015

10 Loan Capital and Borrowings

	28 May 2015 £'000	27 November 2014 £'000
Loans: amounts falling due within one year		
Revolving credit and overdraft facility	321	18,117
Capitalised issue costs	(3,037)	(3,037)
Bank loans	531	30,977
External loans	80	189
	<u>(2,105)</u>	<u>46,246</u>
Loans: amounts falling due after more than one year		
Senior secured euro - floating notes	256,388	285,126
Senior secured sterling - fixed notes	300,000	300,000
Capitalised issue costs	(13,009)	(14,519)
External loans	576	417
Shareholder loans	564,861	535,424
	<u>1,108,816</u>	<u>1,106,448</u>
Total	<u>1,106,711</u>	<u>1,152,694</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 28 May 2015 drawings against the facility were £0.3m (2014: £18.1m). 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 28 May 2015 there were no drawings against this facility (2014: nil). The facility is available until 30 June 2016.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 May 2015

10 Loan Capital and Borrowings (continued)

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

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 28 May 2015 borrowings are stated net of unamortised issue costs of £16.0m (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 The Space Entertainment Group ("Space"), 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 due after more than one year

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 28 May 2015 accrued interest totalled £93.0m (2014: £63.6m).

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 May 2015

11 Provision for Liabilities

	Property provisions £'000	Jubilee retirement £'000	Total £'000
At 28 November 2014	40,148	1,935	42,083
Additions	484	112	596
Utilised during the period	(1,708)	(159)	(1,867)
Unwinding of the discount factor	1,271	-	1,271
Foreign exchange movement	(1,777)	(188)	(1,965)
	<u>38,418</u>	<u>1,700</u>	<u>40,118</u>
At 28 May 2015	<u>38,418</u>	<u>1,700</u>	<u>40,118</u>

12 Share Capital

	28 May 2015 £'000	27 November 2014 £'000
Allotted, issued and fully paid	£'000	£'000
4,718,100 Ordinary shares of £1.00 each	<u>4,718</u>	<u>4,718</u>

13 Reconciliation of Shareholders' Deficit

	28 May 2015 £'000	27 November 2014 £'000
Opening shareholders' deficit	(112,060)	(17,410)
Loss for the period	(7,792)	(90,808)
Share based payments expenses	1,027	2,688
Foreign exchange movement	(22,655)	(6,530)
	<u>(141,480)</u>	<u>(112,060)</u>
Closing shareholders' deficit	<u>(141,480)</u>	<u>(112,060)</u>

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 May 2015

14 Net Cash Flow from Operating Activities

	13 Weeks ended 28 May 2015 £'000	26 weeks ended 28 May 2015 £'000	13 Weeks ended 29 May 2014 £'000	26 weeks ended 29 May 2014 £'000
Operating profit	(3,083)	22,086	(5,132)	13,681
Amortisation of intangible assets	10,057	20,126	9,195	18,564
Depreciation of tangible fixed assets	11,058	22,273	10,080	20,327
Non cash operating items	(1,934)	(3,543)	(4,564)	(9,045)
Decrease/(increase) in stock	66	(404)	306	268
Decrease in debtors	4,899	4,009	3,773	1,916
Decrease in creditors	(21,653)	(12,640)	(2,101)	(3,790)
Net cash (outflow)/inflow	(590)	51,907	11,557	41,921

15 Analysis of Cash Flows for Headings Netted in Cash Flow Statement

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	13 Weeks ended 28 May 2015 £'000	26 weeks ended 28 May 2015 £'000	13 Weeks ended 29 May 2014 £'000	26 weeks ended 29 May 2014 £'000
Interest received	24	55	20	147
Interest paid	(4,715)	(21,604)	(4,384)	(21,516)
Dividends paid to minority interests	(18)	(69)	(103)	(103)
Net cash outflow	(4,709)	(21,618)	(4,467)	(21,472)

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	13 Weeks ended 28 May 2015 £'000	26 weeks ended 28 May 2015 £'000	13 Weeks ended 29 May 2014 £'000	13 Weeks ended 29 May 2014 £'000
Acquisitions	-	-	(268)	(5,167)
Purchase of tangible fixed assets	(5,831)	(10,954)	(6,190)	(15,451)
Landlord contributions	505	1,000	1,002	1,828
Sale of tangible fixed assets	5	10	-	-
Net cash outflow	(5,321)	(9,944)	(5,456)	(18,790)

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 May 2015

15 Analysis of Cash Flows for Headings Netted in Cash Flow Statement (continued)

FINANCING

	13 Weeks ended 28 May 2015 £'000	26 weeks ended 28 May 2015 £'000	13 Weeks ended 29 May 2014 £'000	13 Weeks ended 29 May 2014 £'000
Receipt/(repayment) of revolving credit facility and bank loans	324	(45,084)	(13,041)	1,958
Repayment of other loans	(48)	(701)	(599)	(1,006)
Net cash (outflow)/inflow	276	(45,785)	(13,640)	952

16 Analysis of Changes in Net Debt

	28 November 2014 £'000	Cash flow £'000	Other non-cash changes £'000	Exchange Movement £'000	28 May 2015 £'000
Cash at bank and in hand	61,349	(29,237)	-	(5,197)	26,915
Debt:					
Debt due within one year	(48,006)	45,782	(199)	2,768	345
Debts falling due after more than one year	(1,109,487)	683	(30,747)	29,138	(1,110,413)
	(1,096,144)	17,228	(30,946)	26,709	(1,083,153)

17 Taxation

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

18 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 consolidated 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>.