

Registered number: 08514872

VUE INTERNATIONAL BIDCO PLC

UNAUDITED

FINANCIAL STATEMENTS

FOR THE 9 MONTHS ENDED 31 AUGUST 2017

VUE INTERNATIONAL BIDCO PLC

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (unaudited)
FOR THE PERIOD ENDED 31 AUGUST 2017

	3 Months ended 31 August 2017 £000	9 Months ended 31 August 2017 £000	13 Weeks ended 25 August 2016 £000	39 Weeks ended 25 August 2016 £000
Revenue	174,893	596,166	173,710	576,268
Cost of sales	(66,317)	(226,167)	(67,199)	(220,175)
Gross profit	108,576	369,999	106,511	356,093
Operating expenses:				
Headline operating expenses	(92,046)	(273,819)	(86,755)	(255,843)
Depreciation & amortisation	(14,274)	(42,090)	(14,173)	(40,864)
Exceptional operating items	(5,045)	(4,514)	(367)	(3,491)
Operating profit / (loss)	(2,789)	49,576	5,216	55,895
Headline operating profit ⁽¹⁾	2,256	54,090	5,583	59,386
Finance income	31	84	23	104
Finance expenses	2 (48,042)	(122,613)	(65,317)	(149,279)
Net finance costs	(48,011)	(122,529)	(65,294)	(149,175)
Loss before income tax	(50,800)	(72,953)	(60,078)	(93,280)
Tax	3,615	(6,837)	767	(9,394)
Loss for the year	(47,185)	(79,790)	(59,311)	(102,674)
Attributable to:				
- Owners of the parent	(47,205)	(79,895)	(59,330)	(102,793)
- Non-controlling interests	20	105	19	119
	(47,185)	(79,790)	(59,311)	(102,674)

(1) Before exceptional items

All amounts relate to continuing operations.

VUE INTERNATIONAL BIDCO PLC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)
FOR THE PERIOD ENDED 31 AUGUST 2017

	3 Months ended 31 August 2017 £000	9 Months ended 31 August 2017 £000	13 Weeks ended 25 August 2016 £000	39 Weeks ended 25 August 2016 £000
Loss for the year	(47,185)	(79,790)	(59,311)	(102,674)
Items that may subsequently be reclassified to profit or loss				
Translation gains on net investments	16,193	30,720	24,778	45,547
Total comprehensive loss for the year	(30,992)	(49,070)	(34,533)	(57,127)
Attributable to:				
- Owners of the parent	(31,012)	(49,175)	(34,552)	(57,246)
- Non-controlling interests	20	105	19	119

VUE INTERNATIONAL BIDCO PLC

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)
AS AT 31 AUGUST 2017

	Notes	As at 31 August 2017 £000	As at 30 November 2016 £000
Non-current assets			
Property, plant and equipment	3	346,763	343,789
Goodwill and intangible assets		888,127	864,137
Investments		384	185
Deferred tax asset		31,407	31,313
Trade and other receivables	5	3,120	2,799
Total non-current assets		1,269,801	1,242,223
Current assets			
Inventories	4	4,406	4,578
Trade and other receivables	5	65,017	61,981
Cash and cash equivalents	6	102,017	102,946
Total current assets		171,440	169,505
Total assets		1,441,241	1,411,728
Current liabilities			
Trade and other payables	7	154,890	171,061
Interest-bearing loans and other liabilities	8	5,704	5,978
Provisions	9	1,141	987
Total current liabilities		161,735	178,026
Non-current liabilities			
Trade and other payables	7	54,250	48,454
Interest-bearing loans and other liabilities	8	1,474,421	1,386,149
Provisions	9	101,681	102,273
Deferred tax liability		3,338	3,354
Total non-current liabilities		1,633,690	1,540,230
Total liabilities		1,795,425	1,718,256
Net liabilities		(354,184)	(306,528)
Equity			
Share capital	10	4,718	4,718
Share based payment reserve		8,339	6,798
Retained losses		(367,369)	(318,194)
Equity attributable to owners of the parent		(354,312)	(306,678)
Non-controlling interests		128	150
Total equity		(354,184)	(306,528)

VUE INTERNATIONAL BIDCO PLC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)
FOR THE PERIOD ENDED 31 AUGUST 2017

	Share Capital £000	Share Based Payment Reserve £000	Retained Earnings £000	Total £000	Non- controlling interest £000	Total Equity £000
Balance at 30 November 2015	4,718	4,743	(247,259)	(237,798)	111	(237,687)
(Loss)/profit for the period	-	-	(121,472)	(121,472)	57	(121,415)
Other comprehensive income for the period	-	-	52,948	52,948	-	52,948
Total comprehensive (loss)/income for the period	-	-	(68,524)	(68,524)	57	(68,467)
Share based payments	-	2,055	-	2,055	-	2,055
Dividend paid	-	-	-	-	(18)	(18)
Reserve arising from group restructure	-	-	(2,411)	(2,411)	-	(2,411)
Balance at 30 November 2016	4,718	6,798	(318,194)	(306,678)	150	(306,528)
(Loss)/profit for the period	-	-	(79,895)	(79,895)	105	(79,790)
Other comprehensive loss for the period	-	-	30,720	30,720	-	30,720
Total comprehensive (loss)/income for the period	-	-	(49,175)	(49,175)	105	(49,070)
Share based payments	-	1,541	-	1,541	-	1,541
Dividend paid	-	-	-	-	(127)	(127)
Balance at 31 August 2017	4,718	8,339	(367,369)	(354,312)	128	(354,184)

VUE INTERNATIONAL BIDCO PLC

CONSOLIDATED CASH FLOW STATEMENT (unaudited)
FOR THE PERIOD ENDED 31 AUGUST 2017

		3 Months ended 31 August 2017 £000	9 Months ended 31 August 2017 £000	13 Weeks ended 25 August 2016 £000	39 Weeks ended 25 August 2016 £000
Net cash inflow from operating activities	Notes	3,397	61,179	32,126	76,552
Cashflows from investing activities					
Interest received		31	84	21	94
Dividend received		-	-	119	134
Purchases of property, plant and equipment		(13,772)	(32,229)	(9,542)	(26,197)
Site acquisition incentive payment		(301)	8,218	-	-
Landlord contributions received		889	4,048	1,233	2,624
Investment in Subsidiaries / Joint Venture		-	(175)	(76,164)	(76,162)
Proceeds from disposal of property, plant and equipment		4	365	14	98
Net cash outflow from investing activities		(13,149)	(19,689)	(84,319)	(99,409)
Cashflows from financing activities					
Interest paid		(18,586)	(43,685)	(17,952)	(41,230)
Payment of borrowings		(1,707)	(5,202)	97,764	95,293
Dividend paid		-	(127)	-	(593)
Net cash inflow / (outflow) from financing activities		(20,293)	(49,014)	79,812	53,470
Net increase/(decrease) in cash and cash equivalents		(30,045)	(7,524)	27,619	30,613
Cash and cash equivalents at beginning of period		127,642	102,946	61,056	53,841
Exchange gains on cash and cash equivalents		4,420	6,595	6,860	11,081
Cash and cash equivalents at end of period		102,017	102,017	95,535	95,535

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The Group financial statements comply with Article 4 of the EU IAS Regulation.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2. FINANCE COSTS

	3 Months ended 31 August 2017 £000	9 Months ended 31 August 2017 £000	13 Weeks ended 25 August 2016 £000	39 Weeks ended 25 August 2016 £000
Senior secured notes and bank loans	13,991	42,142	12,114	35,628
Amortisation of capitalised issue costs	70	209	317	1,037
Intercompany loans	18,140	54,420	18,964	57,182
Unwinding of discount factor on provisions	461	1,382	252	1,623
Foreign exchange losses	15,380	24,460	33,670	53,809
	48,042	122,613	65,317	149,279

3. PROPERTY, PLANT AND EQUIPMENT

	As at 31 August 2017 £000	As at 30 November 2016 £000
Opening net book value	343,789	349,139
Additions	32,709	28,837
Disposals	(2,232)	(407)
Depreciation	(40,274)	(52,642)
Impairment charge	-	(8,382)
Foreign exchange gain	13,351	26,379
Fair value adjustments	(137)	865
Transfers to intangibles	(443)	-
Closing net book value	346,763	343,789

4. INVENTORIES

	As at 31 August 2017 £000	As at 30 November 2016 £000
Finished goods and goods for resale	4,406	4,578

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

5. TRADE AND OTHER RECEIVABLES

	As at 31 August 2017 £000	As at 30 November 2016 £000
Trade receivables	27,397	30,829
Allowance for doubtful debts	(4,602)	(4,356)
Prepayments	27,871	26,537
Other receivables	16,959	11,367
Amounts receivable from parent undertakings	512	403
Total	68,137	64,780
Current	65,017	61,981
Non-current	3,120	2,799
Total	68,137	64,780

6. CASH AND CASH EQUIVALENTS

	As at 31 August 2017 £000	As at 30 November 2016 £000
Cash - unrestricted	94,841	96,014
Cash - restricted	7,176	6,932
	102,017	102,946

7. TRADE AND OTHER PAYABLES

	As at 31 August 2017 £000	As at 30 November 2016 £000
Trade payables	33,475	50,946
Accrued expenses and other payables	73,811	70,174
Taxation and social security	2,776	4,386
Project & construction payables (Inc accruals & retentions)	9,260	11,311
Deferred income	89,818	82,698
Total	209,140	219,515
Current	154,890	171,061
Non-current	54,250	48,454
Total	209,140	219,515

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

8. BORROWINGS

	As at 31 August 2017 £000	As at 30 November 2016 £000
Non-current		
Interest-bearing loans and bank borrowings	1,443,628	1,353,272
Finance lease liabilities	30,793	32,877
Total	1,474,421	1,386,149
Current		
Finance lease liabilities	5,704	5,978
Total	5,704	5,978
Interest-bearing loans and other liabilities	1,480,125	1,392,127

The terms and conditions of outstanding loans were as follows:

	Current		Non-Current		Total	
	31 August 2017 £000	30 November 2016 £000	31 August 2017 £000	30 November 2016 £000	31 August 2017 £000	30 November 2016 £000
Senior secured note - £300m	-	-	296,051	295,145	296,051	295,145
Senior secured note - €360m	-	-	323,961	298,211	323,961	298,211
Senior secured loan - €120m	-	-	108,364	99,819	108,364	99,819
External loans	-	-	644	554	644	554
Shareholder loan notes	-	-	715,161	660,302	715,161	660,302
Total	-	-	1,444,181	1,354,031	1,444,181	1,354,031
Less:						
Capitalised issues costs	-	-	(550)	(759)	(550)	(759)
Total interest bearing loans and borrowings	-	-	1,443,631	1,353,272	1,443,631	1,353,272
Finance lease liabilities	5,704	5,978	30,790	32,877	36,494	38,855
Total interest bearing loans and borrowings	5,704	5,978	1,474,421	1,386,149	1,480,125	1,392,127

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

8. BORROWINGS (Continued)

Senior Secured Notes

Senior secured floating rate euro denominated notes of €290m 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 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. 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.

A senior secured floating rate euro denominated term loan of €120m was issued on 29 July 2016. Interest is floating at three month EURIBOR plus a margin of 550 bps. Interest is payable on a quarterly basis. An Original Issue Discount fee (OID) of €0.6m (£0.5m) was paid on the date of issue of the loan. This loan is repayable on 29 July 2023.

Shareholder loan notes

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.

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.

Capitalised issue costs

Costs incurred in issuing the senior debt and the credit facility are capitalised and are allocated to the profit and loss account over the life of the related debt facility. At 31 August 2017 borrowings are stated net of unamortised issue costs of £13.6m (November 2016: £16.6m).

External loans

External loans 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 2022.

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

9. PROVISIONS

	As at 31 August 2017 £000	As at 30 November 2016 £000
Analysis of total provisions		
Current	1,141	987
Non-current	101,681	102,273
	<u>102,822</u>	<u>103,260</u>

	Property provisions £000	Jubilee retirement £000	Other provisions £000	Total £000
At 30 November 2016	100,232	2,041	987	103,260
Additions during the year	4,281	98	132	4,511
Released during the year	(6,587)	(210)	(84)	(6,881)
Unwound during the year	1,382	(24)	-	1,358
Foreign exchange loss	305	163	106	574
At 31 August 2017	<u>99,613</u>	<u>2,068</u>	<u>1,141</u>	<u>102,822</u>

10. SHARE CAPITAL

	As at 31 August 2017 £000	As at 30 November 2016 £000
Allotted, issued and fully paid		
4,718,100 Ordinary shares of £1.00 each	<u>4,718</u>	<u>4,718</u>

11. CASH GENERATED FROM OPERATIONS

	3 Months ended 31 August 2017 £000	9 Months ended 31 August 2017 £000	13 Weeks ended 25th August 2016 £000	39 Weeks ended 25th August 2016 £000
Loss for the year	(47,185)	(79,790)	(59,311)	(102,674)
Adjustments for:				
Income tax expense	(3,615)	6,837	(767)	9,394
Net finance costs	47,988	122,529	65,294	149,175
(Loss)/gain on disposal of tangible fixed assets	1,823	1,866	39	62
Depreciation	13,758	40,358	13,237	39,106
Amortisation of intangible assets	516	1,731	936	1,758
Decrease/(increase) in provisions and other non-cash items	(2,711)	(11,716)	(1,570)	(3,288)
Operating cash flows before movements in working capital	<u>10,574</u>	<u>81,815</u>	<u>17,858</u>	<u>93,533</u>
(Increase)/decrease in inventories	3,184	393	79	1,043
(Increase)/decrease in receivables	4,049	6,902	(1,114)	9,176
Decrease in payables	(11,932)	(20,782)	16,873	(20,897)
Cash generated by operations	<u>5,875</u>	<u>68,328</u>	<u>33,696</u>	<u>82,855</u>
Taxation paid	(2,478)	(7,149)	(1,570)	(6,303)
Net cash inflow from operating activities	<u>3,397</u>	<u>61,179</u>	<u>32,126</u>	<u>76,552</u>

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

12. ANALYSIS OF CHANGES IN NET DEBT

	30 November 2016 £'000	Cash flow £'000	Foreign Exchange movements £'000	Interest charges £'000	Other non- cash movements £'000	Closing balance £'000
Cash and cash equivalents	102,946	(7,524)	6,595	-	-	102,017
Shareholder loan notes	(660,302)	-	-	(54,858)	-	(715,160)
Senior secured notes and loans	(693,175)	-	(32,218)	-	(2,983)	(728,376)
Unamortised capitalised bank fees	759	-	-	-	(209)	550
Finance lease liabilities	(38,855)	7,828	(2,872)	(2,596)	-	(36,495)
External loans	(554)	(79)	(11)	-	-	(644)
Total	(1,289,181)	225	(28,506)	(57,454)	(3,192)	(1,378,108)

13. TAXATION

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

14. 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 Vue International Bidco plc for the period to 30 November 2016, a copy of which is available on the group website (<http://vue-international.com/index.php/investor-relations/reports-presentations>).