



# Lenders Presentation

November 2018



## Presentation of financial data

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Vougeot Bidco plc was incorporated on 2 May 2013 and began trading following its acquisition of Vue Entertainment International Limited on 8 August 2013. On 12 August 2016 Vougeot Bidco plc changed its name to Vue International Bidco plc.

This presentation refers to market information obtained from third party sources. “Market Admissions” for UK, Italy and the Netherlands are a measure of paid and unpaid box office admissions and are sourced from the Cinema Advertising Association, Cinetel, Rentrak and IHS Markit, Cinema Intelligence Service 2018 respectively. Market Admissions for Germany and Poland includes only paid admissions and the sources are Rentrak through [www.IBOE.com](http://www.IBOE.com) and [www.boxoffice.pl](http://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. Market GBOR is sourced from IHS Markit, Cinema Intelligence Service 2018 and Vue GBOR information for UK & Ireland, Germany and the Netherlands is sourced from Rentrak through [www.IBOE.com](http://www.IBOE.com), Poland from [www.boxoffice.pl](http://www.boxoffice.pl) and Italy from Cinetel. Information based on IHS Markit, Technology Group, Cinema Intelligence Service, 2018. Results are not an endorsement of Vue. Any reliance on these results is at the third party's own risk. Visit [www.technology.ihs.com](http://www.technology.ihs.com) for more details.

Effective from 28th November 2014, the Company has elected to adopt International Financial Reporting Standards (“IFRS”). All financial information in this presentation from 2015 onwards is based on IFRS and has been prepared in accordance with IFRS. Financials prior to 2015 are on UK GAAP basis, unless otherwise stated.



**Tim Richards**  
CEO & Founder



**Alison Cornwell**  
CFO



**Simon Jones**  
Director,  
OMERS Private Equity

- **Tim Richards:** In 1999, Tim left Warner Bros. Studio in L.A. and founded a start-up cinema exhibition company now known as Vue International. Tim is a member of the Board of Governors of the British Film Institute. Before entering the entertainment industry, Tim was a Wall Street lawyer based in London and New York

- **Alison Cornwell:** Joined Vue in 2014. From 1995 to 2005 Alison was the CFO of Disney's international television business. Thereafter she was CFO of 2 successful private equity buyouts, Sparrowhawk Media and Alliance Films. Alison is a member of the governing body of the Institute of Chartered Accountants of Scotland

- **Simon Jones:** Simon joined the OMERS European office in 2010. In addition to his role on the Board of Vue, Simon was previously a member of the advisory committee for Hayfin (exited 2017). Prior to OMERS, Simon qualified as a chartered accountant with PwC and worked in the Corporate Finance team in London for 6 years, advising on financial services, business services and private equity transactions

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- **Vue International (“Vue”, or the “Company”) is a leading Pan-European operator in the Cinema exhibition industry**
  - Scale and leadership in its core European markets with 1,920 screens across 214 sites<sup>(1)</sup>
  - State of the art well-invested estate with an average site age of 14 years
  - 6<sup>th</sup> largest exhibitor worldwide with £798m revenues and £118m EBITDA<sup>(1)</sup>
- On July 3<sup>rd</sup> 2018, Vue announced the acquisition of Cinema3D in Poland, a modern and complementary estate which will be re-named and integrated with the existing Multikino circuit
- On October 22<sup>nd</sup> 2018, Vue announced the acquisition of CineStar in Germany increasing the Group’s scale and geographic diversification and creating the leading operator in the German market with over 20% market share of admissions
- **In conjunction with the CineStar acquisition, Vue is launching a full refinancing of its capital structure with the objective of increasing maturities, reducing cost of debt and increasing flexibility in the capital structure in addition to raising proceeds for the CineStar acquisition**
  - Proceeds will in part be used to refinance Vue’s existing €120m EUR Senior Secured Term Loan B, €360m EUR Senior Secured Floating Rate Notes, and £300m GBP Senior Secured Notes in their entirety. The existing £60m equivalent Super Senior Revolving Credit Facility will also be refinanced on a senior secured basis and upsized as part of the refinancing
  - In addition, proceeds will fund the majority of the initial purchase consideration of the CineStar acquisition (€130m)
  - Concurrent to the launch of the transaction, Vue is also issuing a conditional redemption notice on its existing notes
- **Pro-forma for the transaction, Vue’s Net Total Leverage is expected to remain flat at 5.5x based on LTM Aug-18 Pro Forma Combined EBITDA of £149m**
  - Interest expense is expected to decrease
  - Corporate ratings are expected to remain unchanged at B3/B
  - Continued commitment from OMERS and AIMCo who are maintaining their combined 74% equity stake in the business, alongside management’s 26% stake

**Note:**

1. LTM at 31 August 2018 excluding acquisitions of Cinema3D and CineStar (subject to competition authority review)

1

## Executive Summary

# Founder-led management team with long standing sector experience

## Leading Senior Executive Team



**Tim Richards**  
*CEO & Founder*

20

- Founded the business in 1999 and has been driving its subsequent expansion
- Led four sponsor buyouts, crystalizing significant value in each
- Previously worked at Warner Bros Studio and as M&A lawyer



**Adam Crozier**  
*Chairman*

2

- Appointed Non-Executive Chairman in Sept. 2017
- CEO career of 20+ years, including CEO of ITV, Royal Mail, the English Football Association and MD of Saatchi and Saatchi



**Alan McNair**  
*Deputy CEO*

19

- Joined Vue in 1999
- Previously Executive VP and CFO of United Cinemas International
- Senior management experience in the film and video distribution markets



**Alison Cornwell**  
*CFO*

4

- Joined Vue in 2014
- CFO of Disney's international TV business from 1995 to 2005
- Subsequently CFO of two successful private equity buyouts in broadcasting and film distribution



**Steve Knibbs**  
*COO*

15

- Joined Vue in 2003
- Previously Senior VP for United Cinemas International Northern Europe
- 30 years of experience in the cinema industry
- Recipient of Lifetime Achievement Award from UK cinema industry in 2017

Supplemented with strong territory management

... Years at Vue and / or predecessor companies

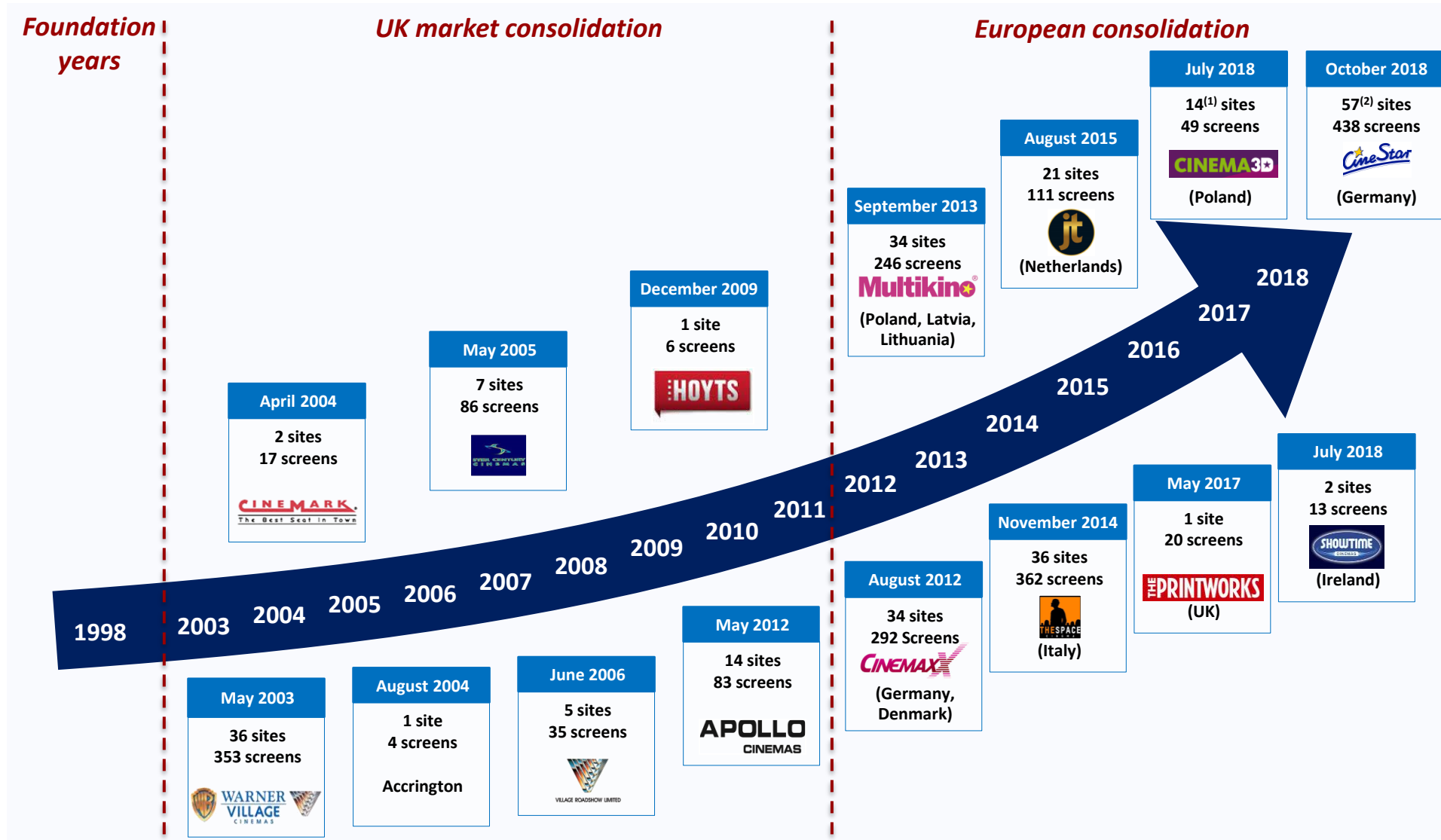
Source: Company information

# Leading European consolidator

## Foundation years

## UK market consolidation

## European consolidation



Disciplined M&A approach with focus on bilateral transactions

**Note**

- 1. Including 3 sites in development
- 2. Including 2 sites in development



Numbers as reported (Aug-18)<sup>(1)</sup>

## Leading brands in 10 countries



**214**

Sites

**£500m**

NBOR<sup>(2)</sup>

**1,920**

Screens

**96%**

Multiplexes<sup>(3)</sup>

**83m**

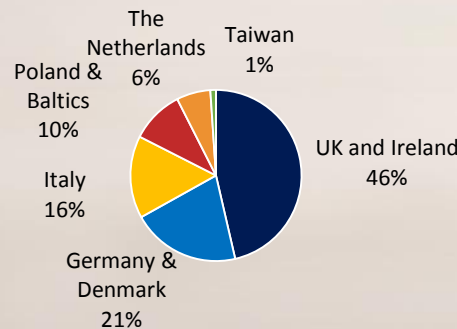
Admissions

**14 years**

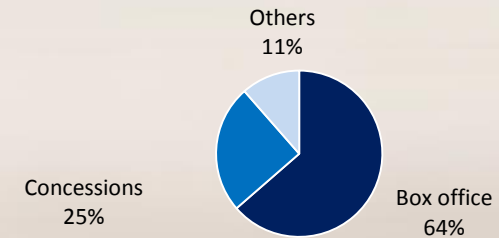
Avg. site age

**6<sup>th</sup> largest exhibitor worldwide with £798m revenues and £118m EBITDA<sup>(1)</sup>**

By territory<sup>(1)</sup>



By segment<sup>(1)</sup>



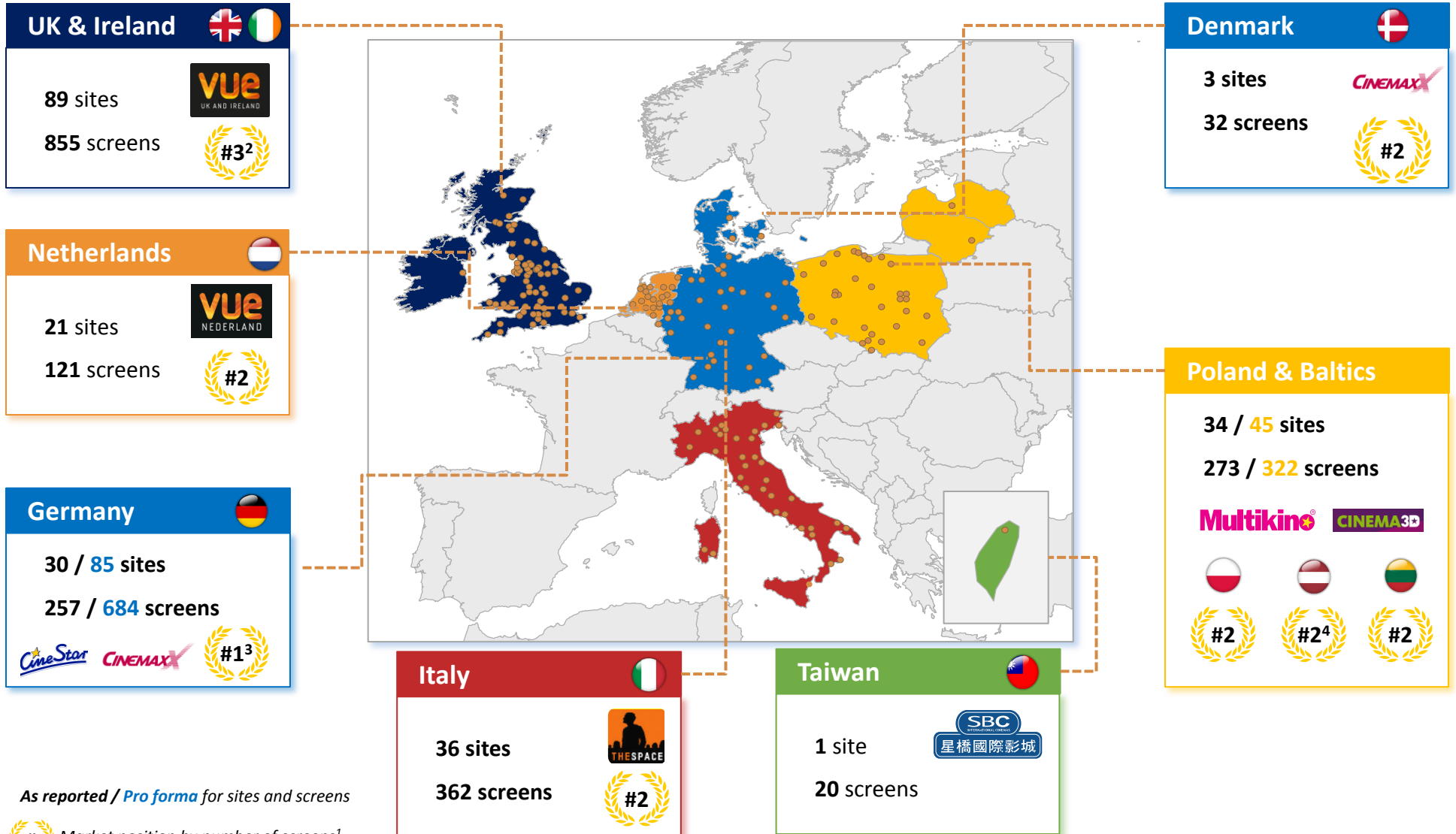
Note: Excluding CineStar and Cinema3D

1. LTM at 31 August 2018; excludes recent acquisitions of CineStar and Cinema 3D, see p.25: post acquisition UK and Ireland 38%, Germany & Denmark 34%

2. Measures box office revenue net of local sales taxes

3. Multiplex cinema site defined as a site with five or more screens

# Top positions and iconic brands in each of the markets we operate **VUE** INTERNATIONAL



As reported / Pro forma for sites and screens

# Market position by number of screens<sup>1</sup>

**Including recent CineStar and Cinema3D acquisitions, Vue has 280 sites and 2,396 screens**

Source: Company information

Note: All territory figures are as of Aug, 2018, PF for CineStar and Cinema3D, excluding 3 sites, 20 screens for Cinema3D and 2 sites, 11 screens for CineStar which were under development as at the end of August

1. Market position by number of screens at December 2017, as per IHS Markit, Cinema Intelligence Service, 2018
2. Market position in the UK (i.e. not including Ireland)
3. Pro forma for CineStar
4. Joint second together with Cinamon-Baltic Multiplex Ventures



## Customer Experience

New, modern and conveniently located chain of cinemas

**14** years average site age



## Efficient Operator

Proven excellence on key performance drivers

Gross profit consistently above **62%**, cash conversion at c. **90%**<sup>(1)</sup>



## Proven Consolidator

Strong track record of value accretive M&A

**15** acquisitions announced since 2003

**Note:**

1.  $(\text{EBITDA} - \text{Maintenance Capex}) / \text{EBITDA}$

# Strong commitment from our long term investors and founder-led management



## OMERS / AIMCo: More than C\$200bn of assets under management

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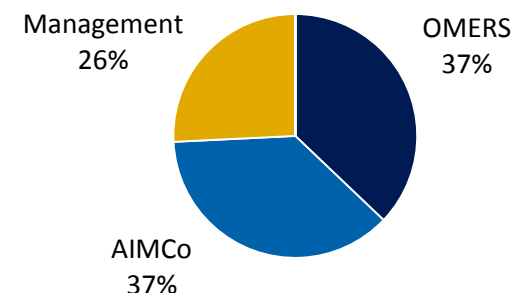
- ✓ Long-term, flexible and patient capital
- ✓ Total investment of £444m, 74.4% shareholding
- ✓ Vue is a significant portfolio company for both OMERS and AIMCo

## Significant management stake

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- ✓ 25.6% shareholding
- ✓ Founder-led team with long term commitment
- ✓ Investment from senior managers across the business

### Vue shareholder structure



## Strong commitment to delivering the Vue investment case

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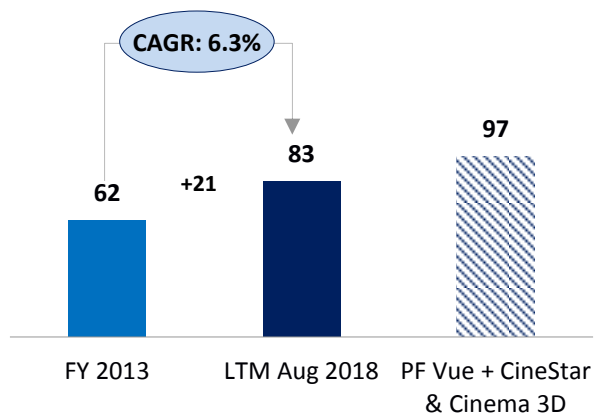
- ✓ Follow-on investment for The Space Cinemas
- ✓ Support for acquisitions of Vue Netherlands, Cinema3D and CineStar

# The journey so far: growth and diversification

## Enhanced scale...

### Admissions

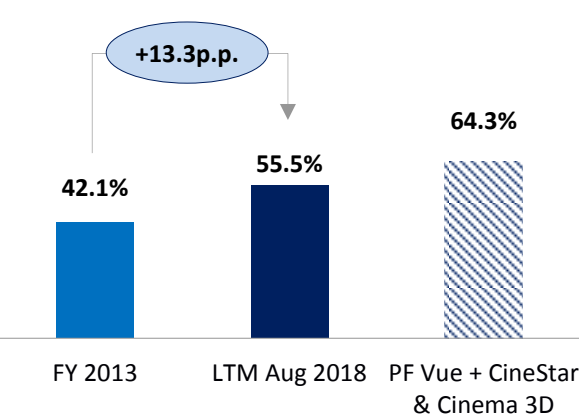
m



## ...continued diversification...

### Screens ratio outside the UK & Ireland

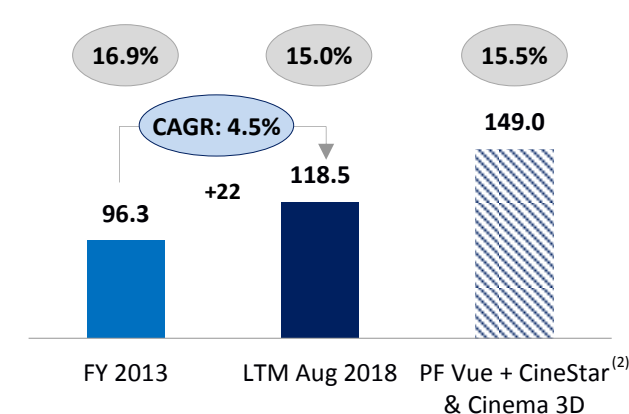
%



## ...with strong operational performance

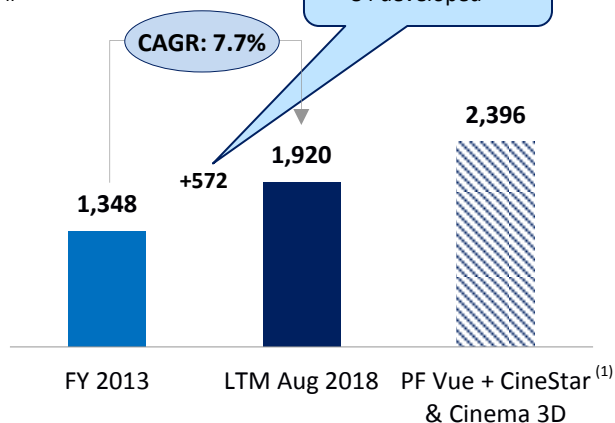
### EBITDA & EBITDA margin

£m, Actual FX



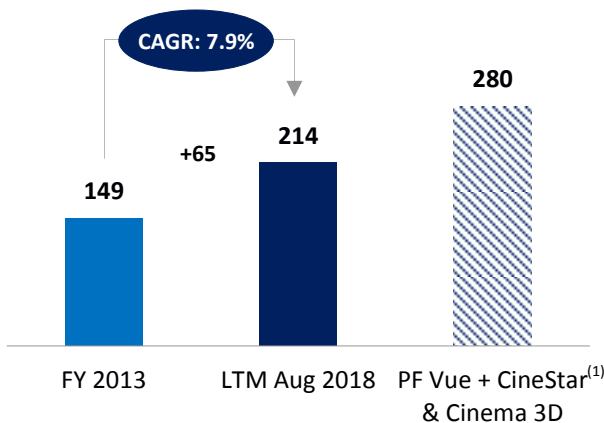
## Number of screens

#



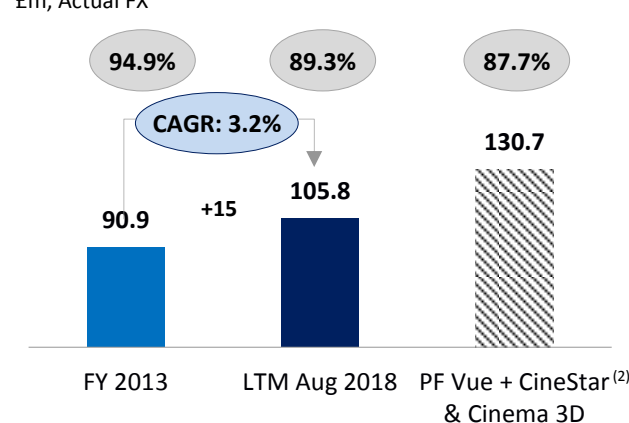
## Number of sites

#



## OpFCF<sup>(2,3)</sup> & cash conversion

£m, Actual FX



**Pro forma for CineStar and Cinema 3D, Vue is an even stronger and more diversified business**

Source: Company information. FY2013 on a reported basis (UK GAAP)

Note: Assuming EUR / GBP FX rate of 1.1152

1. Excludes 3 sites, 20 screens for Cinema3D and 2 sites, 11 screens for CineStar which were under development as at the end of August

2. Including Cinema3D and CineStar synergies and impact of estate upgrade and new site annualization

3. EBITDA – Maintenance Capex

4. Net of closures

# What to expect from the future?



**Continued outperformance of growth markets driven by growing volumes**



**Leveraging scale and delivering synergies to drive efficiency & increase EBITDA margin**



**Improvement in the appeal of film slates in the mature markets of Germany and Italy**



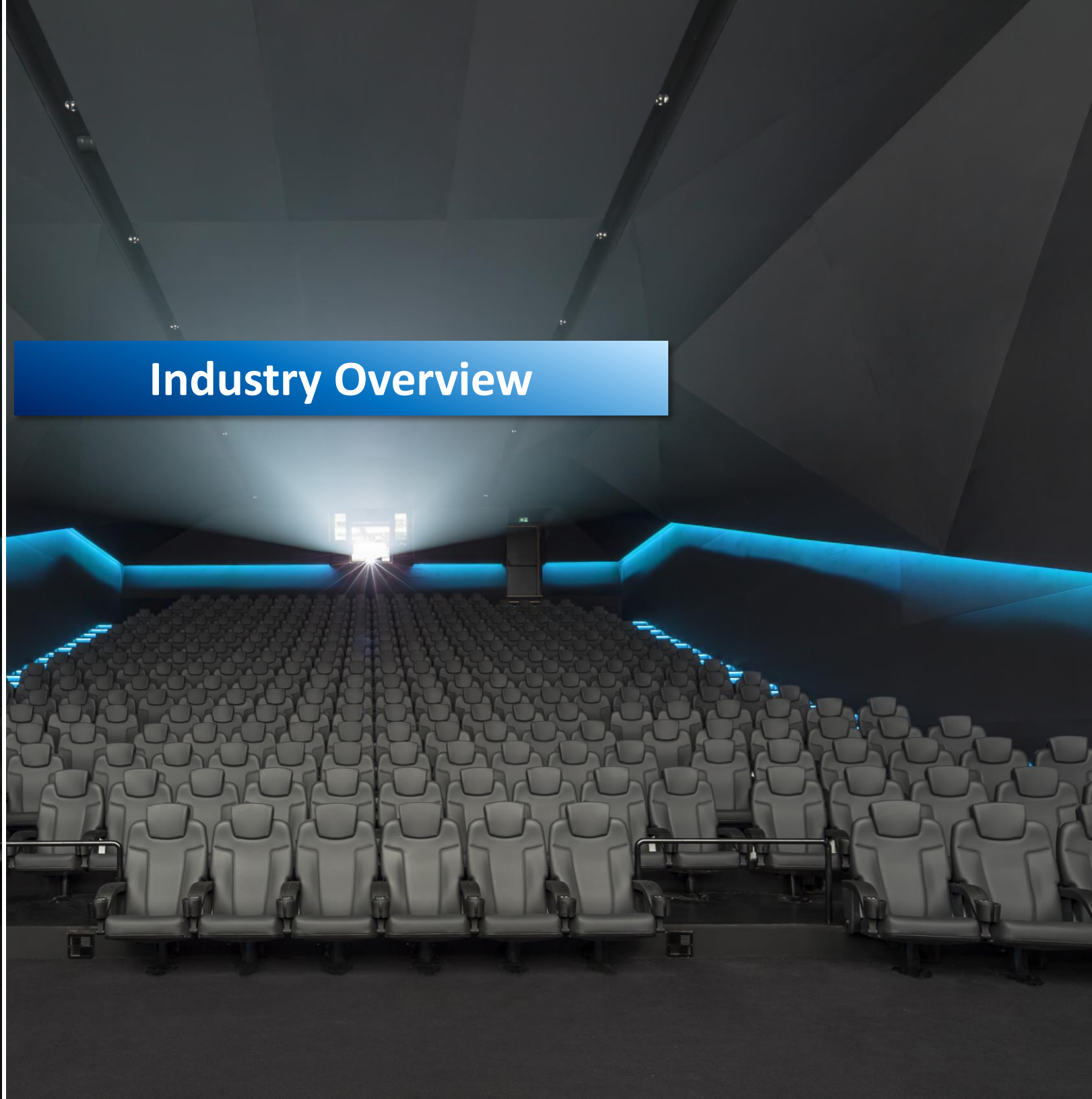
**Selective roll out of growth strategies following successful market testing**



**Numerous opportunities for investments backed by robust analysis and strict return on investment**

# 2

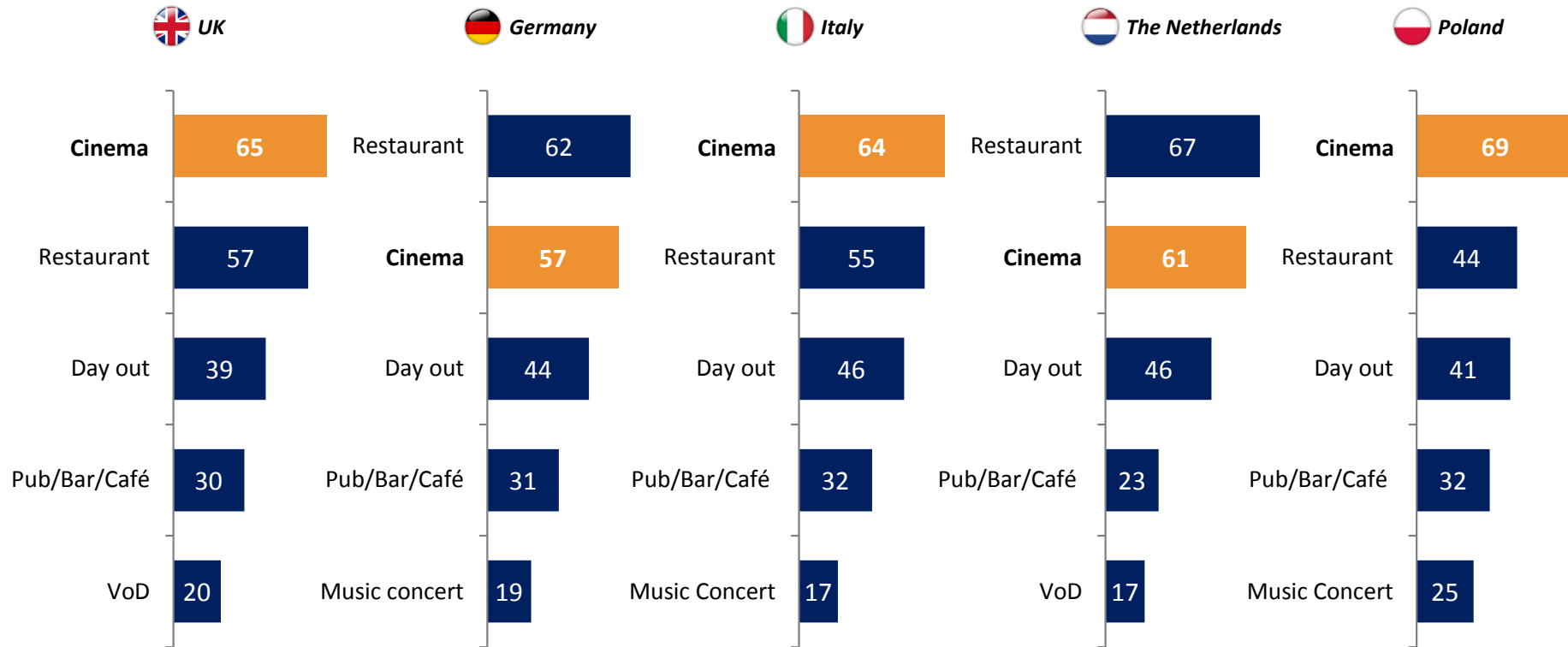
## Industry Overview



# Cinema ranks as one of the most attractive out-of-home activities for consumers...

## Cinema is one of the most popular leisure activities across all Vue core markets

(% Respondents selecting activity in Top 3)



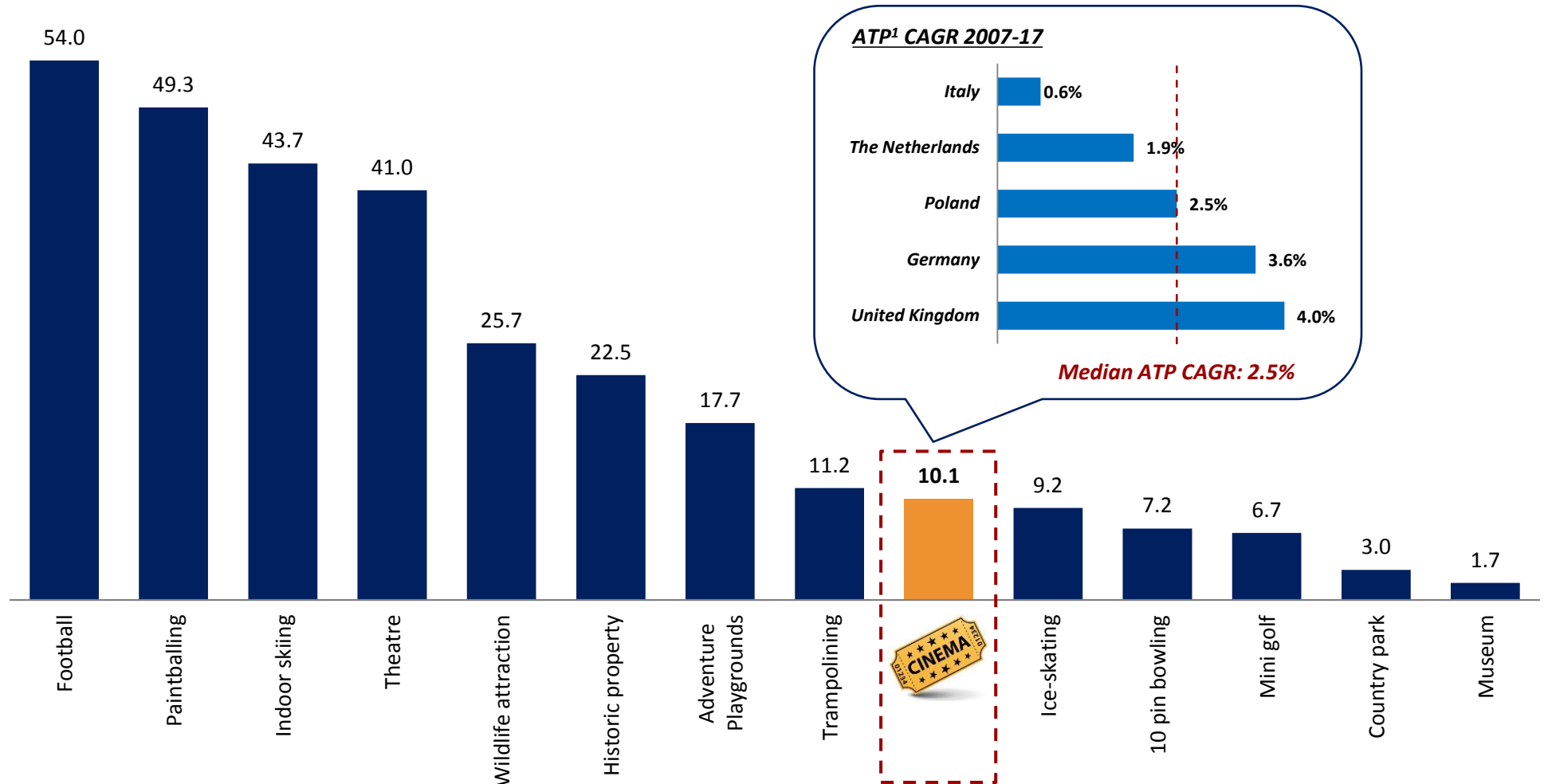
- ✓ Superior experience relative to other movie consumption options (latest releases, larger screen, better sound, etc.)
- ✓ More affordable, easier to access and more convenient than other out-of-home activities
- ✓ Multi-faceted leisure activity: entertainment, cultural, social



# ...and it is among the best value leisure options

Cinema has enjoyed consistent increases in ATP<sup>1</sup> and still ranks amongst the best value leisure options available to consumers

Illustrative adult ticket prices for different forms of out-of-home entertainment (UK example, £)<sup>2</sup>



Source: IHS Markit, Cinema Intelligence Service, 2018; Desk research

Note: Data based on a UK consumer survey (N=2,000); Answers reflect the perceived prices across out-of-home entertainment activities (and therefore could deviate from actual average ticket prices); Yearly ATP based on calendar year (December YE)

1. Gross Average Ticket Price based on local currency as per IHS Markit, Cinema Intelligence Service, 2018

2. Based on price checks at three example sites per activity

# Vue operates in a combination of mature and growing markets

## Historical admissions in Vue core markets (in mm)

Short-term fluctuations around a stable long term level of admissions

Mature markets



Continued year-on-year growth

Growing markets



UK



Germany



Italy

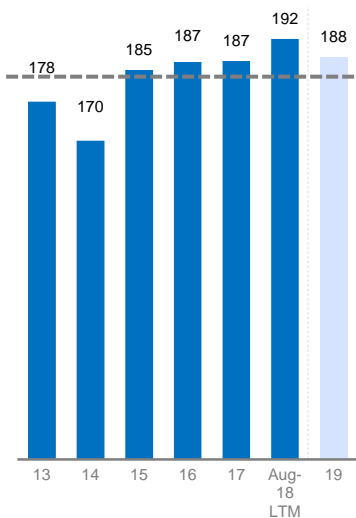


The Netherlands



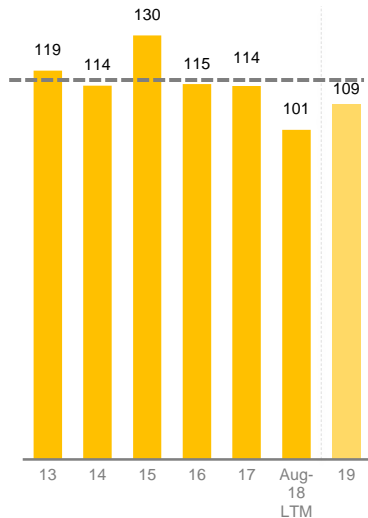
Poland

2013-17A CAGR: 1.2%  
5-year 2013-17A average = 184mm<sup>1</sup>



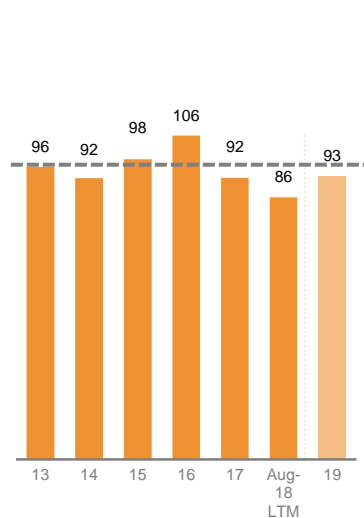
- Positive growth driven by industry initiatives, e.g. investment and pricing
- Most mature market with high proportion of multiplex screens

2013-17A CAGR: (1.0%)  
5-year 2013-17A average = 116mm<sup>1</sup>



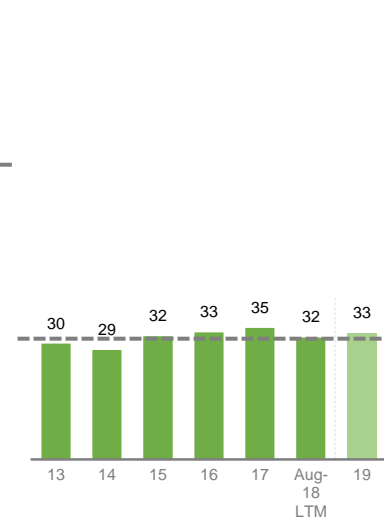
- Lack of animation and comedy slate and World Cup football has impacted recent performance
- Opportunity for roll-out of successful initiatives from UK to grow market

2013-17A CAGR: (0.9%)  
5-year 2013-17A average = 97mm



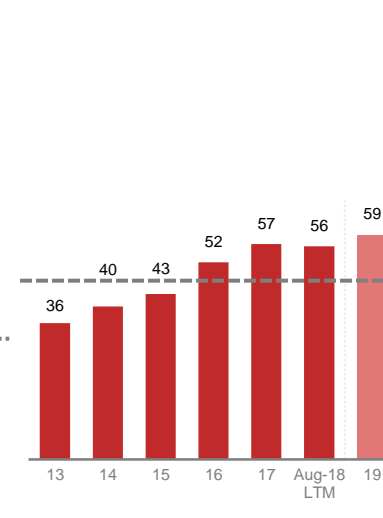
- Variations in year on year performance mostly driven by quality of the film slate
- Softness in local content has impacted recent performance

2013-17A CAGR: +3.2%  
5-year 2013-17A average = 32mm



- Rapidly increasing admissions per capita driven by continued shift towards multiplexes and upgrade of legacy sites

2013-17A CAGR: +12.1%  
5-year 2013-17A average = 46mm



- Strong admissions growth driven by increased multiplex screens and increasing disposable income

----- 5-year average

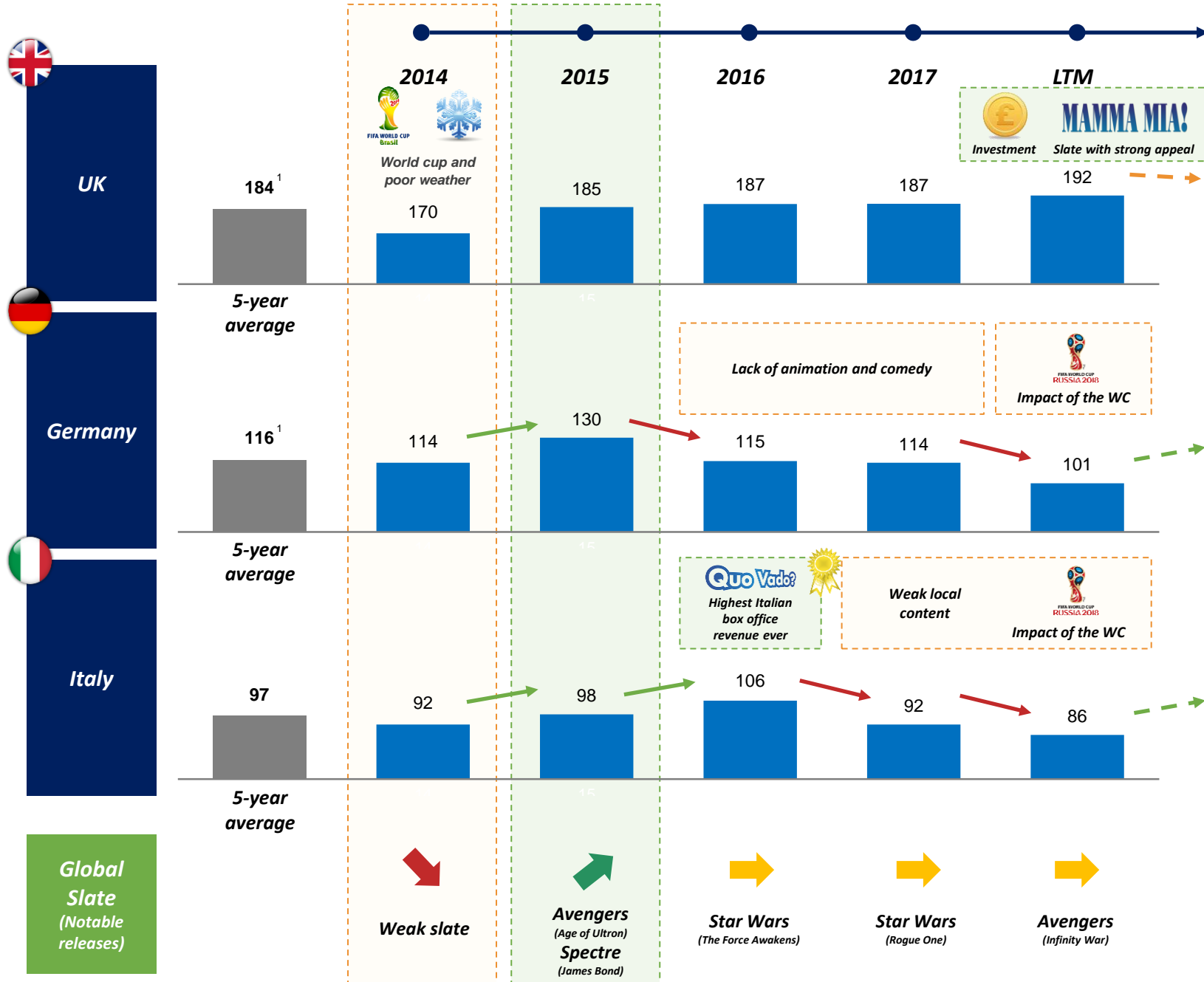
Note: Yearly admissions based on Vue fiscal year (November YE); 2019 admission figures based on Company estimates

Source: IBOE, boxoffice.pl, Company information

1. United Kingdom average excludes 2014 and Germany average excludes 2015

# Short-term admission fluctuations in mature markets driven by slate

## Near-term outlook



✓ Investment has grown the market with admissions to stay above long-term average under normal slate

✓ Rebound driven by major Animation and Comedy releases including Disney live action

✓ Rebound driven by strong local slate in 2019

✓ Strong line-up of international releases including highly anticipated sequels

Note: Yearly admissions based on Vue fiscal year (November YE)

Source: IBOE

1. United Kingdom average excludes 2014 and Germany average excludes 2015

# High visibility on upcoming movie slate with significant focus on blockbusters

## Blockbusters are a key driver of GBOR

UK, 2018 YTD	GBOR (£mm)	% of UK GBOR
Star Wars: The Last Jedi	82.7	7.5%
Avengers: Infinity War	70.8	6.4%
Mamma Mia: Here We Go Again!	61.0	5.6%
Incredibles 2	52.8	4.8%
Black Panther	50.5	4.6%
<b>Total Top 5</b>		<b>28.9%</b>

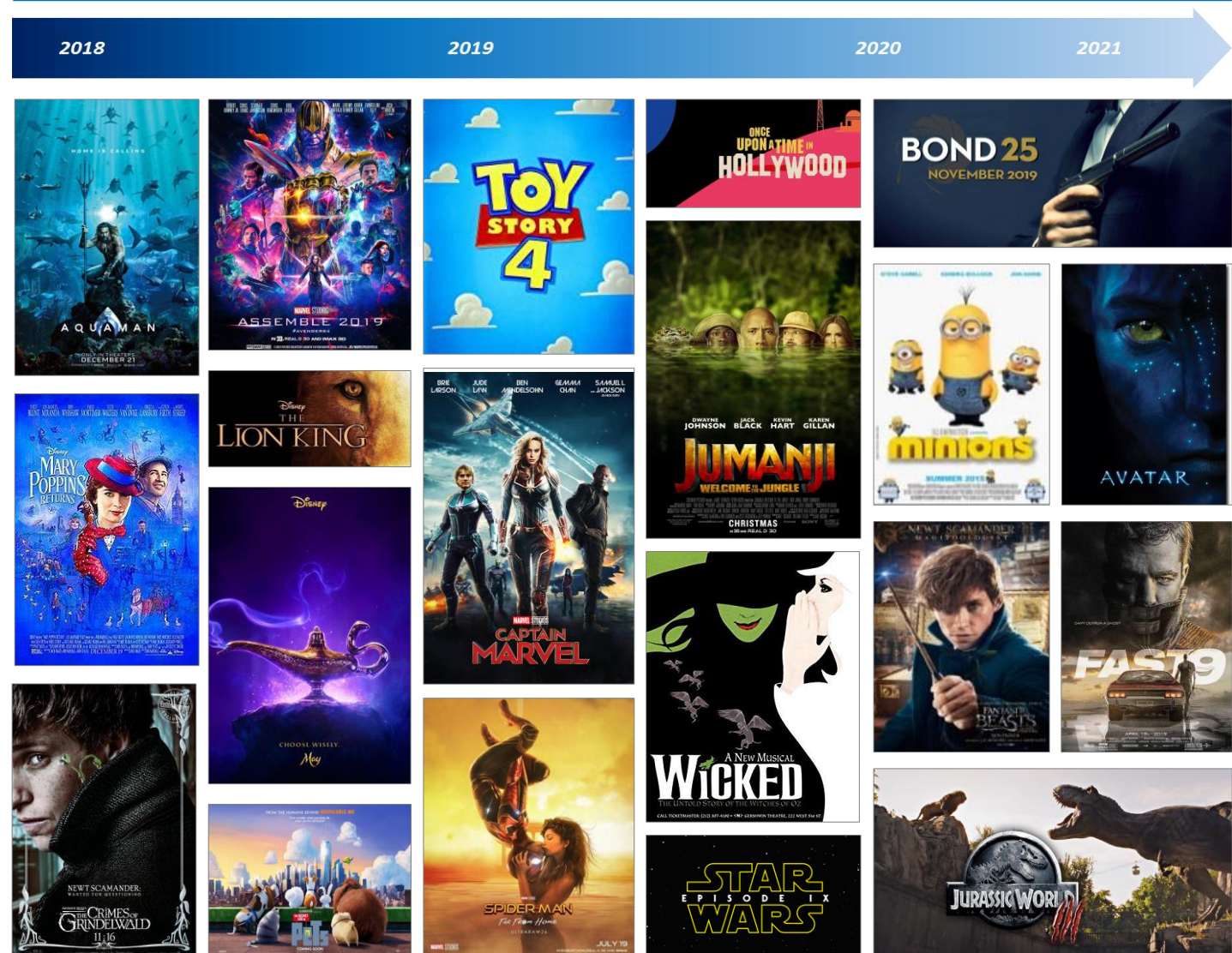
  

UK, FY 2017	GBOR (£mm)	% of UK GBOR
Beauty And The Beast	72.4	5.4%
Rogue One: A Star Wars Story	66.0	4.9%
Dunkirk	56.6	4.2%
Despicable Me 3	47.7	3.5%
Guardians Of The Galaxy Vol. 2	41.0	3.0%
<b>Total Top 5</b>		<b>21.0%</b>

UK, FY 2016	GBOR (£mm)	% of UK GBOR
Star Wars: The Force Awakens	123.0	9.2%
Bridget Jones's Baby	48.0	3.6%
Jungle Book, The	46.2	3.4%
Finding Dory	42.9	3.2%
Deadpool	37.9	2.8%
<b>Total Top 5</b>		<b>22.2%</b>

## Film line up to 2021 is underpinned by a strong and varied slate of global film franchises



Note: Yearly GBOR based on Vue fiscal year (November YE)  
Source: Rentrak

## Key considerations

- Local films represent an important part of the slate in each market
  - A particularly strong year for a market is often associated with local “hits”
- Vue enjoys a natural **portfolio benefit** as its pan-European footprint **limits exposure to national markets**
  - At the same time, local releases also **complement and diversify international movie slate**
- In contrast to the international slate, local releases have a much **shorter lead time on release details**
- A common theme to many European releases for the year 2019 is a **rich mix of famous directors and stars**, continuing to **build on increasingly popular sequels**

***Pan-European footprint limits exposure to national markets and captures benefit of diversified local slates***

## Film slate – upcoming local releases

UK	
Jan-19	<i>Mary Queen of Scots</i>
Apr-19	<i>Shaun the Sheep 2</i>
May-19	<i>Rocketman</i>
Nov-19	<i>Kingsman 3</i>



Germany	
Dec-18	<i>Der Junge Muss an die Frische Luft</i>
Feb-19	<i>The Red Band Society</i>
Feb-19	<i>Just Do It</i>



Poland	
Feb-19	<i>Kobiety Mafii 2</i>
Sep-19	<i>Legiony</i>
Nov-19	<i>Planeta Singli 3</i>
Nov-19	<i>Pilduski</i>



Netherlands	
Dec-18	<i>All You Need Is Love</i>
Dec-18	<i>Bon Bini Holland 2</i>
Feb-19	<i>Verliefd Op Cuba</i>
May-19	<i>Singel 39</i>



Italy	
Apr-19	<i>Chi Mena Per Primo Mena Due Volte</i>
Nov-19	<i>Untitled release with Checco Zalone</i>

Generated **highest ever Italian box office** with last movie “*Quo Vado*”

3

## Key Credit Highlights



1

Leading Pan-European cinema operator with diversified geographic footprint

2

Well-invested, high quality estate of state-of-the-art cinemas

3

Growing and resilient market with strong pipeline of blockbuster films

4

Multiple identified levers to accelerate profitable growth and optimise cost base

5

Successful buy & build strategy with track record of extracting synergies

6

Founder-led management team with unparalleled sector knowledge, supported by high quality shareholders

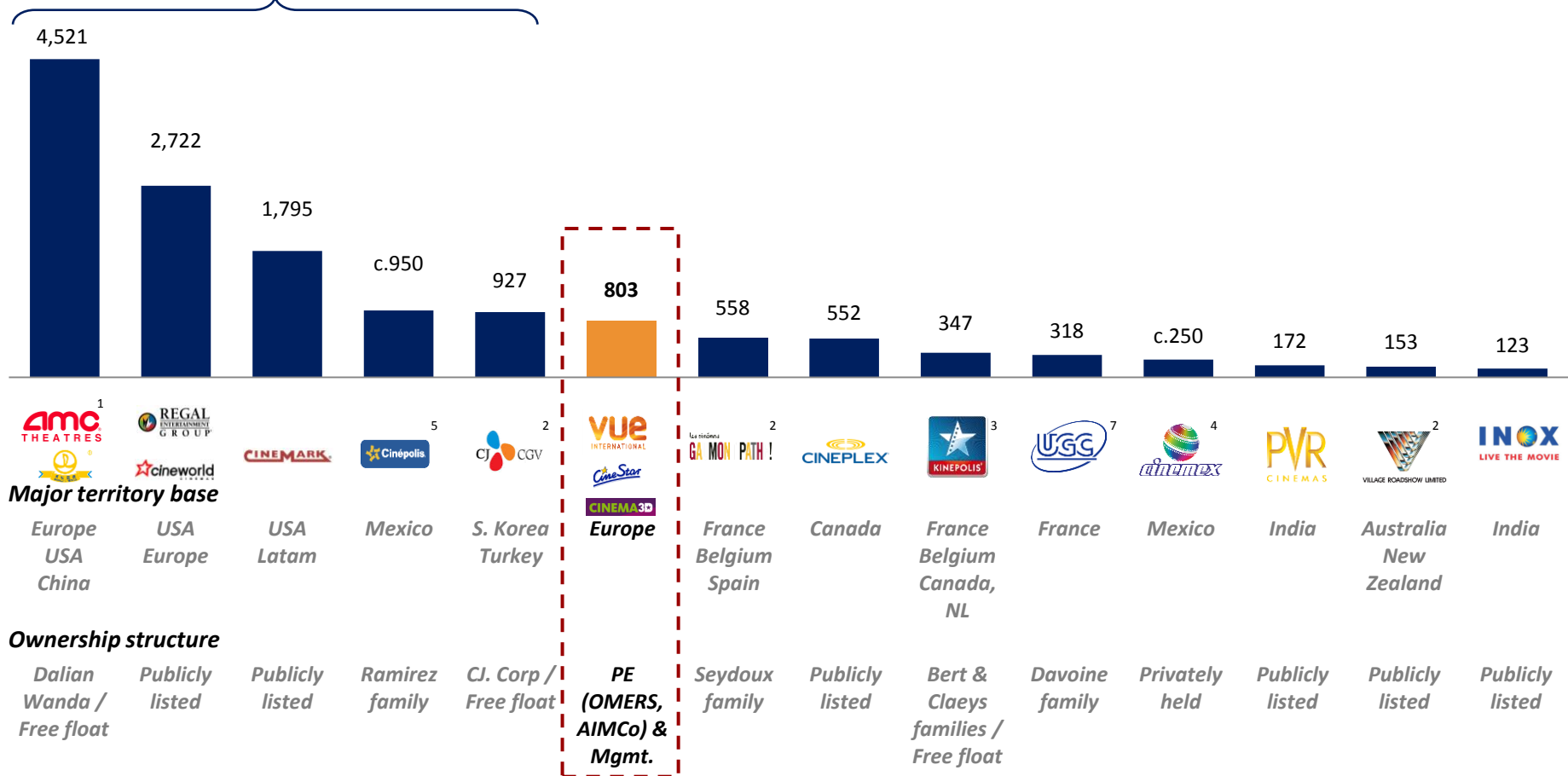
# 1 Vue is the 6<sup>th</sup> largest exhibitor worldwide...

## Leading European positioning and amongst the largest industry players globally

Global cinema operators ranked by 2017 NBOR (\$mm) – excluding China-only players

Total top 10 global market share<sup>6</sup>: c.39%

Total top 5 global market share<sup>6</sup>: c.32%



Source: Company information; IHS Markit, Cinema Intelligence Service, 2018

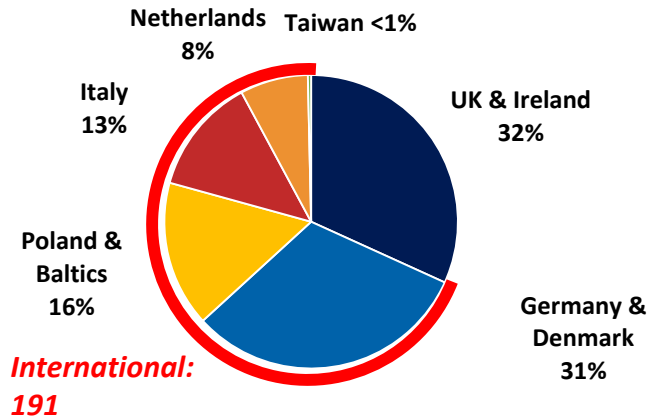
- Note: Based on public financials (fiscal year) otherwise management estimates; All local currency BORs converted to USD at average FX for 2017 calendar year – NBOR defined as box office revenue excl. local sales taxes by film and in aggregate – calendar year data; BOR definitions may differ slightly from company to company (e.g. include or not proceeds from 3D glasses)
- Pro forma for Carmike, Odeon-UCI and NCG
  - Box office revenue assumed 65% of total revenue
  - Pro forma for Landmark acquisition
  - 2016 data, assuming 30% market share of the Mexican GBOR market in 2016 (~\$800mm)
  - 2016 data, assuming \$1.8-2.0bn revenue and c.50% share of ticket sales from total revenue based on public references

- Global NBOR (to derive market share) calculated based on deducting taxes from global GBOR (c.\$39bn) based on illustrative average tax rate of c.15%
- 2016 data



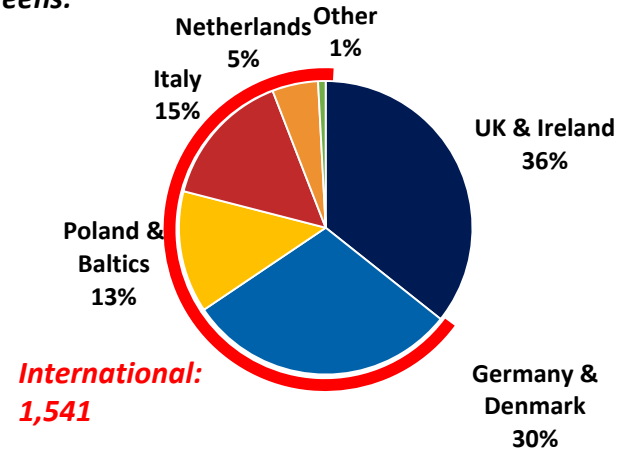
Sites by territory (Aug-18)

Total sites:  
280<sup>(1)</sup>

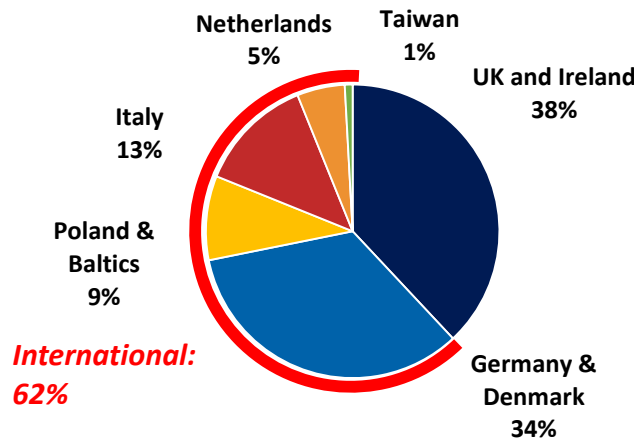


Screens by territory (Aug-18)

Total screens:  
2,396<sup>(1)</sup>



Revenues by territory<sup>(2)</sup> (LTM Aug-18)













Diversified exhibitor, with more than 60% of revenues generated internationally

Source: Company information

- Note
1. Pro forma for CineStar and Cinema3D acquisitions, excluding 3 sites, 20 screens for Cinema3D and 2 sites, 11 screens for CineStar which were under development as at the end of August
  2. Split as of LTM August 2018 actual FX

## 2 High quality estate

	 UK & Ireland	 Germany & Denmark	 Italy	 Poland & Baltics <sup>1</sup>	 Netherlands	 Taiwan		
% multiplexes <sup>2</sup>	99%	97%	100%	94%	76%	100%	 <b>Modern, purpose-built multiplex network</b>	
Average site age (years)	15.5	15.9	10.7	10.0	14.0	17.9		 <b>Young circuit with average site age of c.14 years<sup>3</sup></b>
% screens with stadium seating	99%	99%	99%	100%	87%	100%	 <b>High quality customer experience</b>	
% screens with VIP seating	94%	99%	100%	93%	95%	0%		
% screens with features								
	3D	32%	64%	38%	42%	50%	15%	 <b>State-of-the-art technology</b>
	4K	97%	100%	0%	1%	10%	25%	

**Note:** Statistics as of November 12th, 2018

**Source:** Company information. Note: does not include Cinema3D and CineStar sites and screens

1. Includes Latvia and Lithuania

2. Defined as a site with five or more screens

3. Weighted average based on sites as of November 12th, 2018

## 2 Marquee locations in many of Europe's main cities

 **Vue Westfield – London**



✓ Highest grossing cinema in the UK & Ireland


<b>20</b>
<b>3,013</b>


 **Vue Leicester Square – London**



✓ Flagship cinema, re-opened in 2017 after major redevelopment


<b>9</b>
<b>1,401</b>


 **CinemaxX Potsdamer Platz – Berlin**



✓ Home to Berlin Film Festival


<b>19</b>
<b>3,434</b>


 **The Moderno – Rome**



✓ Iconic red carpet venue in heart of Rome

<b>5</b>
<b>1,112</b>

 **Złote Tarasy – Warsaw**



✓ The premiere cinema location in Poland

<b>8</b>
<b>2,525</b>

# screens  
# seats

Source: Company information

# 2 Leading the market in roll-out of next generation experiences

 **Vue Bristol Cribbs**



✓ Next generation retail, new approach to layout, merchandising, and communication


<b>12</b>	<b>2,323</b>
-----------	--------------


 **Vue Preston**



✓ Refurbished in 2017: new entrance, new foyer, new retail offer and recliner seats as standard

<b>7</b>	<b>542</b>
----------	------------

 **CinemaxX Hannover – Raschplatz**



✓ New slider VIP seats fitted as standard in 2017

<b>10</b>	<b>2,105</b>
-----------	--------------

 **Vue Eindhoven**



✓ Europe's first laser projection Dolby cinema screen

<b>8</b>	<b>1,525</b>
----------	--------------

 **Multikino Malta – Poznan**



✓ First recliner seat site in Poland completed in late December 2017

<b>10</b>	<b>1,864</b>
-----------	--------------

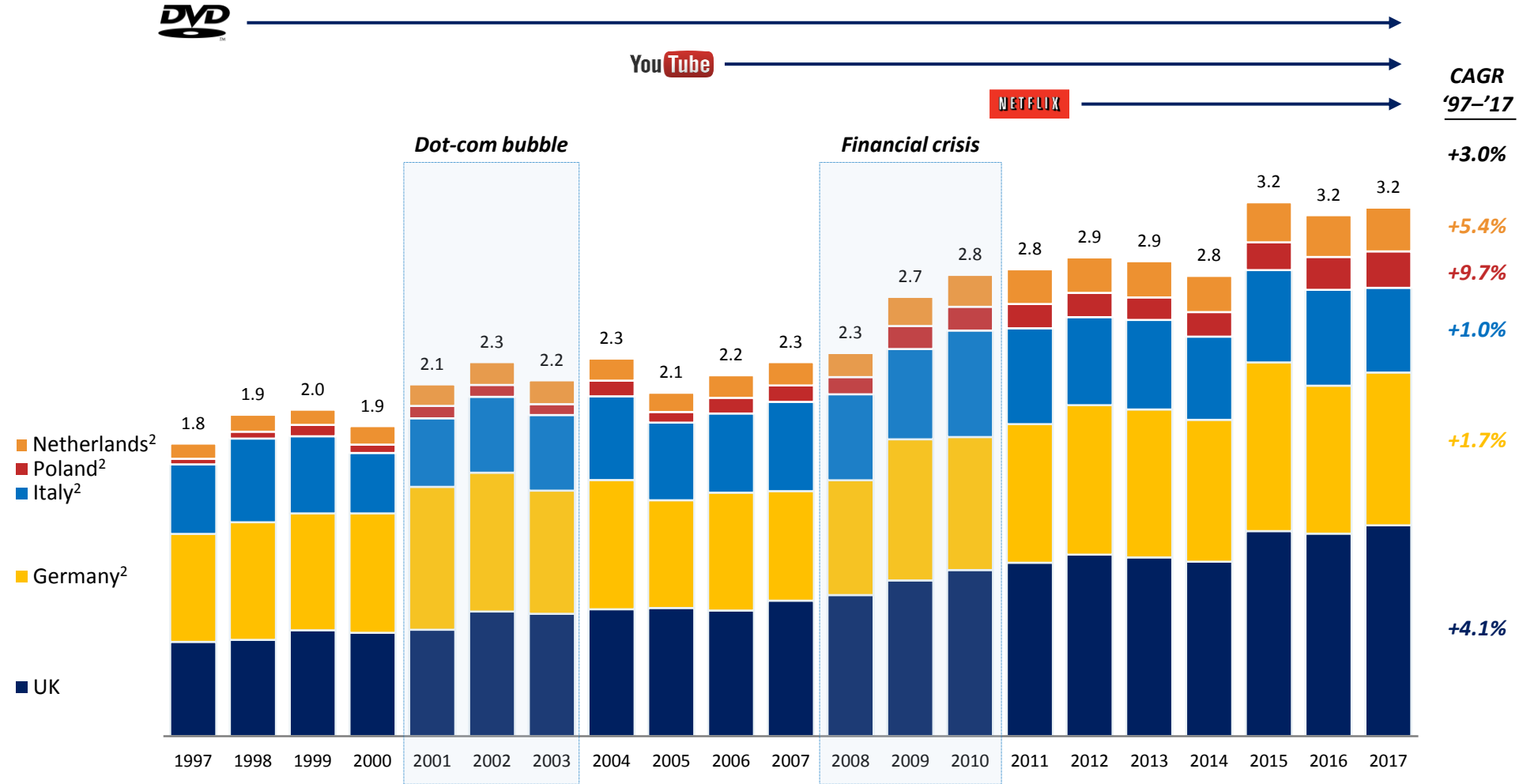
# screens  
# seats

Source: Company information

# Cinema has demonstrated a long-term track record of growth through economic cycles and emerging content distribution platforms

## Growing box office revenue across Vue's core markets

Total market gross box office revenues<sup>1</sup> (£bn, constant currency<sup>2</sup>)

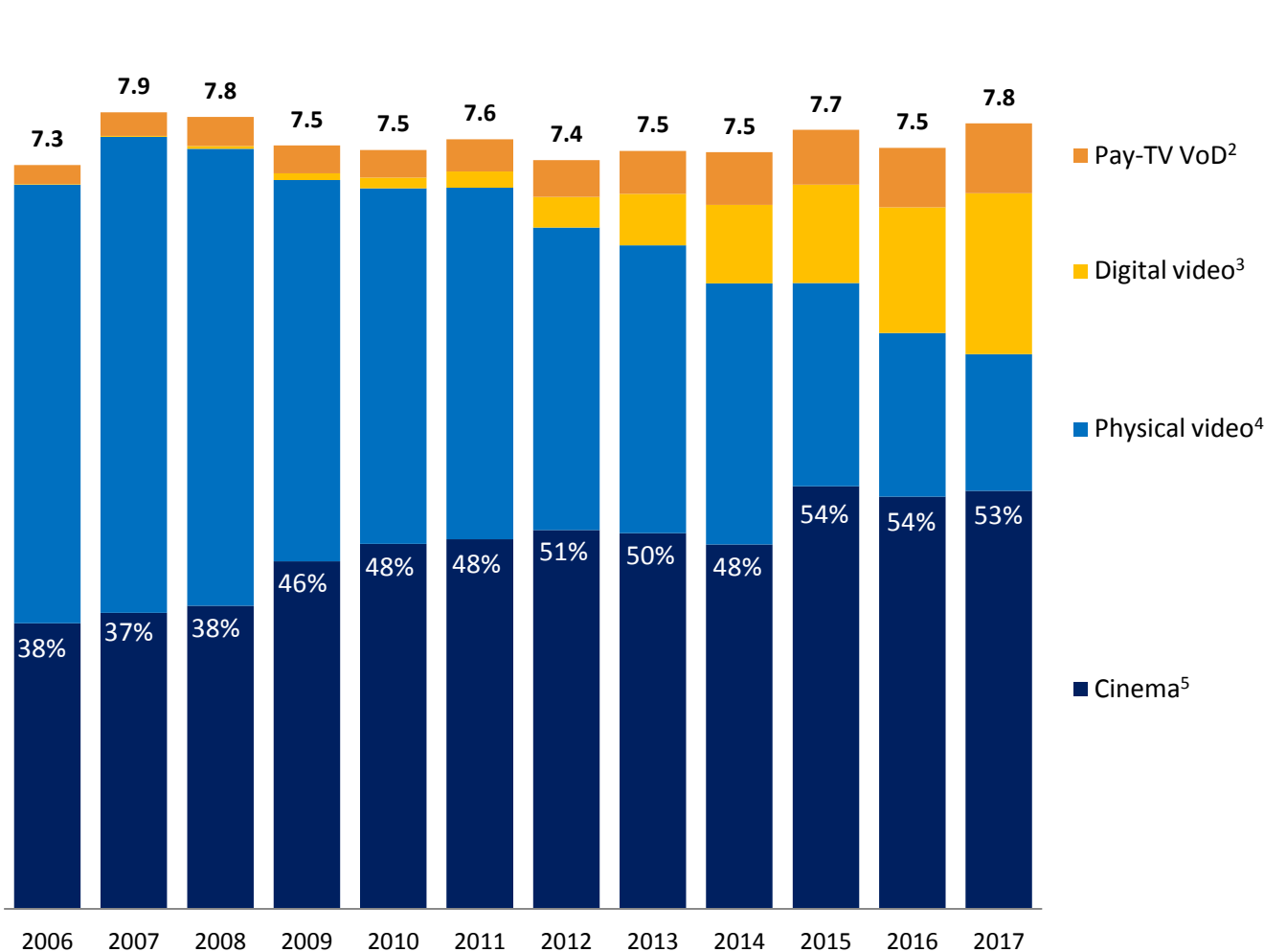


Note: Yearly admissions based on calendar year (December YE)  
 Source: IHS Markit, Cinema Intelligence Service, 2018  
 1. Measures box office revenue incl. local sales taxes by film and in aggregate  
 2. All local GBORs converted to GBP at average FX for 2017 calendar year

# Cinema is playing an increasingly important role in the lifecycle of a film's revenue

## Total revenues by release window in Vue's core markets<sup>1</sup>

Total movie revenues (consumer prices), 2006–17 (\$bn)



✓ **Cinemas are the first release window for full-feature movies and are crucial for success of the subsequent windows**

✓ **Consumers are willing to pay a premium to have first access to new content in cinemas**

✓ **Cinemas are the most important component of a film's successful exploitation**

**Cinemas are the cornerstone of the global movie ecosystem**

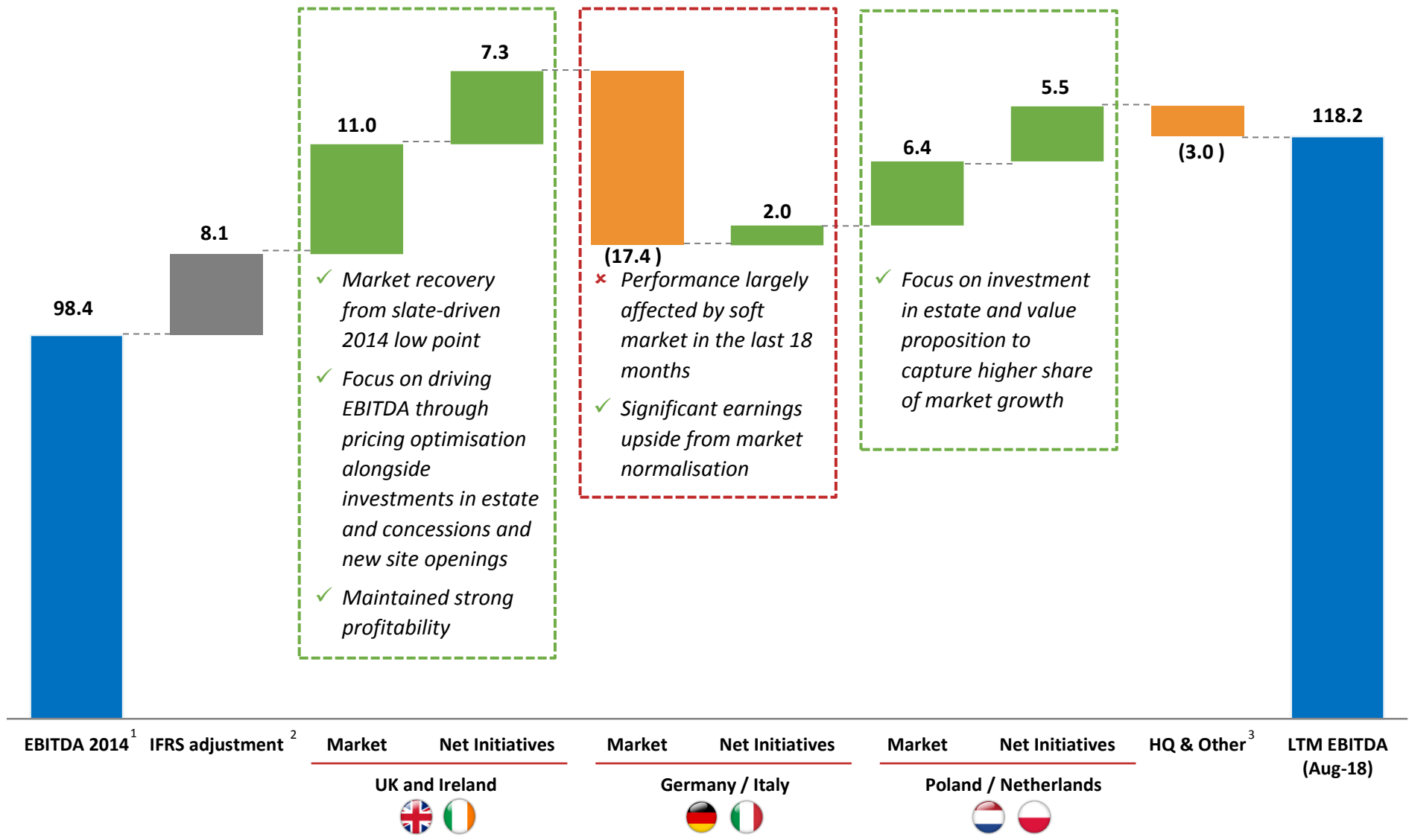
**Note:** Reflects total consumer spend on movie consumption; based on calendar year (December YE)  
**Source:** IHS Markit, Cinema Intelligence Service, 2018

1. Includes UK, Germany, Italy, Poland and the Netherlands  
 2. Includes rental and purchase via STB and subscription to VoD-only library on STB (i.e. excludes indirect channels such as Pay-TV and FTA)  
 3. Includes iTunes/Amazon rental and retail, as well as Netflix/Amazon subscription

4. Includes rental and purchase of discs  
 5. Includes total market GBOR for the calendar year – GBOR defined as box office revenue including local sales taxes by film and in aggregate

# Despite market headwinds in Germany / Italy, management initiatives have grown EBITDA over the past 4 years

Indicative Vue historical EBITDA bridge (2014 - LTM Aug-2018) - £m



**Note:** Vue's financials converted at EUR/GBP FX rate of 1.1152, PLN/GBP FX rate of 4.7735; constant currency. Market driven growth in the chart above represents the calculated Vue benefit (using 2014 market share and variable profit per head) from 2014 to LTM August 2018 movement in market admissions sizes (with market sizes adjusted to remove estimated primary market growth from new sites and new volume enhancing initiatives). Initiatives represents the remaining change in Vue EBITDA not driven by the Market growth

1. EBITDA under UK GAAP in 2014. £1.1m of EBITDA from discontinued film distribution activities in Poland removed in FY 2014  
 2. Restatement of UK and Germany accounts to IFRS in 2015  
 3. Other includes contribution from Taiwan and Corporate segment

## Operational levers

<b>Content</b>	<ul style="list-style-type: none"> <li>■ <b>Artificial intelligence</b> helps determining the right film to play in the right place at the right time</li> <li>■ <b>Alternative content:</b> concerts, e-sports, live theatre</li> </ul>
<b>Pricing</b>	<ul style="list-style-type: none"> <li>■ <b>Dynamic and flexible pricing approach</b></li> <li>■ Premium options incl. VIP seats &amp; recliners</li> </ul>
<b>Retail</b>	<ul style="list-style-type: none"> <li>■ <b>Expanding food, beverage and merchandising offerings</b></li> <li>■ New layouts to maximise customer flow and increase SPP</li> </ul>
<b>Digital / CVM</b>	<ul style="list-style-type: none"> <li>■ <b>Development of customized offers and promotions</b></li> <li>■ Increasing online bookings and sales</li> </ul>
<b>Best Practices</b>	<ul style="list-style-type: none"> <li>■ <b>Procurement efficiencies and optimised operations</b></li> <li>■ Rigorous trialling, measurement and deployment approach</li> </ul>

## EBITDA enhancing capex

<b>Premium Seating</b>	<ul style="list-style-type: none"> <li>■ Fully reclining premium seating offer rolled out at selected sites delivering very strong EBITDA returns</li> <li>■ Large scale Europe-wide roll out of VIP seating offer completed</li> </ul>
<b>Additional Screens</b>	<ul style="list-style-type: none"> <li>■ Where demand is sufficient, additional screens are installed at existing sites to increase scheduling options and admissions</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>■ New digital screens installed in foyers to deliver new and incremental advertising revenue streams</li> </ul>
<b>Energy Saving</b>	<ul style="list-style-type: none"> <li>■ Further investment to improve energy and cost efficiency</li> </ul>
<b>Site Enhancement</b>	<ul style="list-style-type: none"> <li>■ Major refurbishment plans for existing sites with attractive paybacks</li> <li>■ Trialling of new seating and retail concepts in several markets</li> </ul>
<b>New Sites</b>	<ul style="list-style-type: none"> <li>■ Group remains active in development of new sites with attractive paybacks</li> </ul>

Proven initiatives toolkit to drive growth in Mature Markets and further accelerate performance in Growing Markets



# Track record of successful integration and significant value creation across acquisitions

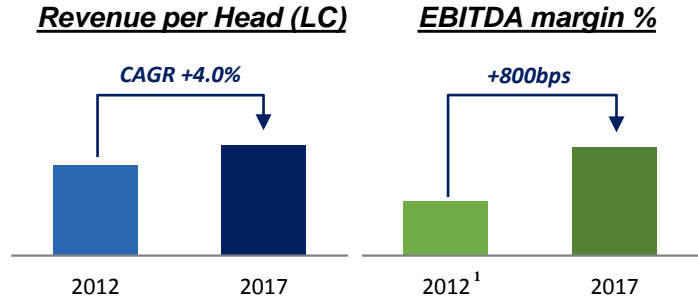
Significant improvements across all acquisitions driving meaningful operational and financial uplift



**(August 2012)**

- Launch of IMAX screens in Germany and Denmark
- Completed roll-out of luxury seating and improved concession stands
- Rollout of a new fully responsive website and digital platform

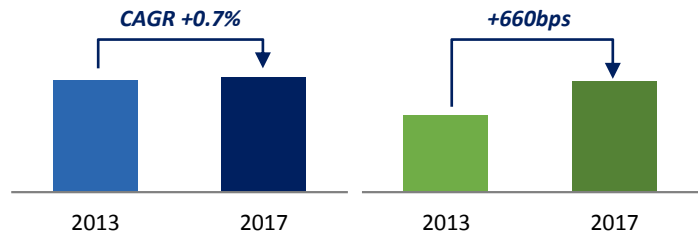
*Improved concessions and IMAX screens*



**(September 2013)**

- Standard and VIP seating roll-outs
- Closure of old sites to develop state-of-the-art multiplex (e.g. Elblag, Łódź)
- New digital advertising technology

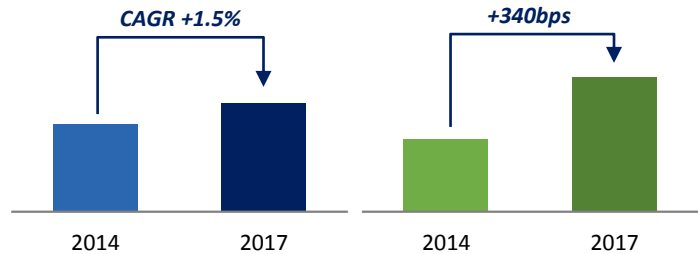
*Legacy sites turned into state-of-the-art estate*



**(November 2014)**

- VIP seating and luxurious lounges, upgraded concessions including finger food and alcoholic beverages
- Further investment and development in cinema operating and scheduling systems including completion of the roll out of VISTA

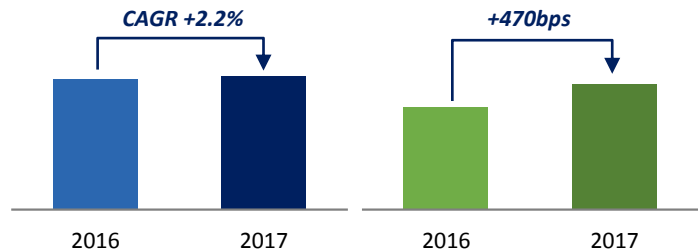
*The Odeon Suite in Milan*



**(August 2015)**

- Home to the first Dolby Cinema laser projection technology system in Europe
- The entire estate was re-branded and VIP seating was installed throughout the course of 2016
- Major refurbishments (e.g. Amersfoort, Doetinchem and Hoogezand)

*Rebranding & major refurbishments*



(--) Acquisition date

Source: Company information

1. Under UK GAAP

## Leading Senior Executive Team



**Tim Richards**  
*CEO & Founder*

20

- Founded the business in 1999 and has been driving its subsequent expansion
- Led four sponsor buyouts, crystalizing significant value in each
- Previously worked at Warner Bros Studio and as M&A lawyer



**Adam Crozier**  
*Chairman*

2

- Appointed Non-Executive Chairman in Sept. 2017
- CEO career of 20+ years, including CEO of ITV, Royal Mail, the English Football Association and MD of Saatchi and Saatchi



**Alan McNair**  
*Deputy CEO*

19

- Joined Vue in 1999
- Previously Executive VP and CFO of United Cinemas International
- Senior management experience in the film and video distribution markets



**Alison Cornwell**  
*CFO*

4

- Joined Vue in 2014
- CFO of Disney's international TV business from 1995 to 2005
- Subsequently CFO of two successful private equity buyouts in broadcasting and film distribution



**Steve Knibbs**  
*COO*

15

- Joined Vue in 2003
- Previously Senior VP for United Cinemas International Northern Europe
- 30 years of experience in the cinema industry
- Recipient of Lifetime Achievement Award from UK cinema industry in 2017

... Years at Vue and / or predecessor companies

Source: Company information

# 6 Experienced bench of country and functional management



## Senior Executive Team



... Years at Vue and / or predecessor companies

Source: Company information

4

## CineStar Acquisition



## Create # 1 circuit in Germany

- Creates Germany's largest exhibitor with 87<sup>(1)</sup> sites and 695<sup>(1)</sup> screens
  - Leading position with c.20% admissions market share
- Complementary estates with limited geographic overlap
  - Allows Vue to expand into Eastern part of Germany and gain significant presence in Berlin
- Increases Vue footprint in Continental Europe and rebalances exposure to UK & Ireland below 40% revenue contribution

## Benefit from German market recovery

- August 2018 LTM market admissions were 101m, 18m below the ten year average of 119m<sup>(2)</sup>
- Germany is the 3rd largest market in Europe after France and the UK with over €0.9bn GBOR in 2017

## Unlock significant synergies

- £9.6m probability weighted synergies, primarily from cost rationalization, of which more than 50% achievable within 12 months and more than 95% within 18 months
- Upside expected, only considered 64% of cost base to date
- Revenue upside from:
  - Transfer of best practice
  - Ability to deliver nation-wide advertising campaigns

### Note

1. Includes 2 sites and 11 screens in development
2. Market admissions as per Rentrak

# Creates # 1 circuit in Germany

## Overview

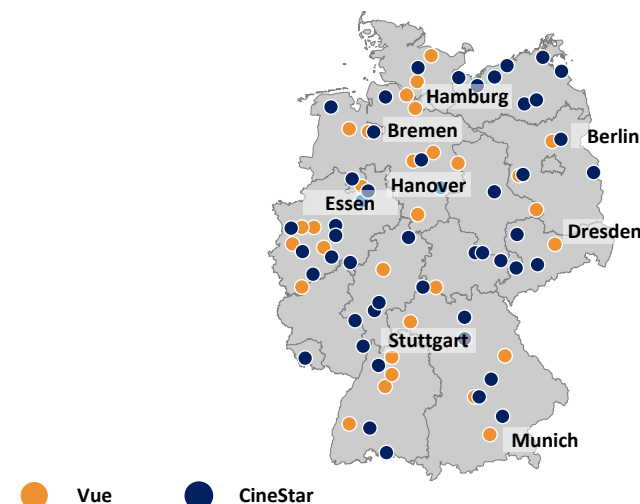
- Established in 1948 as Kieft & Kieft. In 1998, EVENT acquired a 50% stake, and the remaining 50% in 2003
- CineStar comprises 57 sites and 438 screens
  - Includes 2 new sites which are currently in development and expected to open in late 2018 and mid-2019
- Combination of CineStar and CinemaxX (Vue's existing German portfolio) will create a cinema operator with national coverage and over 20% admissions market share
- Complementary estates with limited geographic overlap, expanding Vue's reach in regional areas

LTM Jun-18	CinemaxX	CineStar	Combined
Sites	30	54 <sup>(2)</sup>	<b>84</b>
Screens	257	418 <sup>(2)</sup>	<b>675</b>
Admissions (m)	10.1	12.2	<b>22.3</b>
Revenue (€m)	165	191	<b>356</b>

**Note**

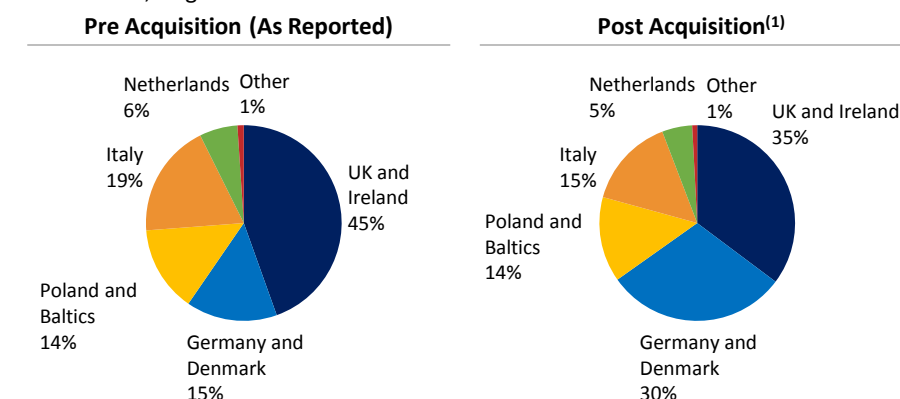
- PF CineStar and Cinema3D, including sites in development
- Excludes 1 site opened in July 2018 and 2 additional pipeline sites with 11 screens

## Highly complementary footprint



## Increased estate diversification

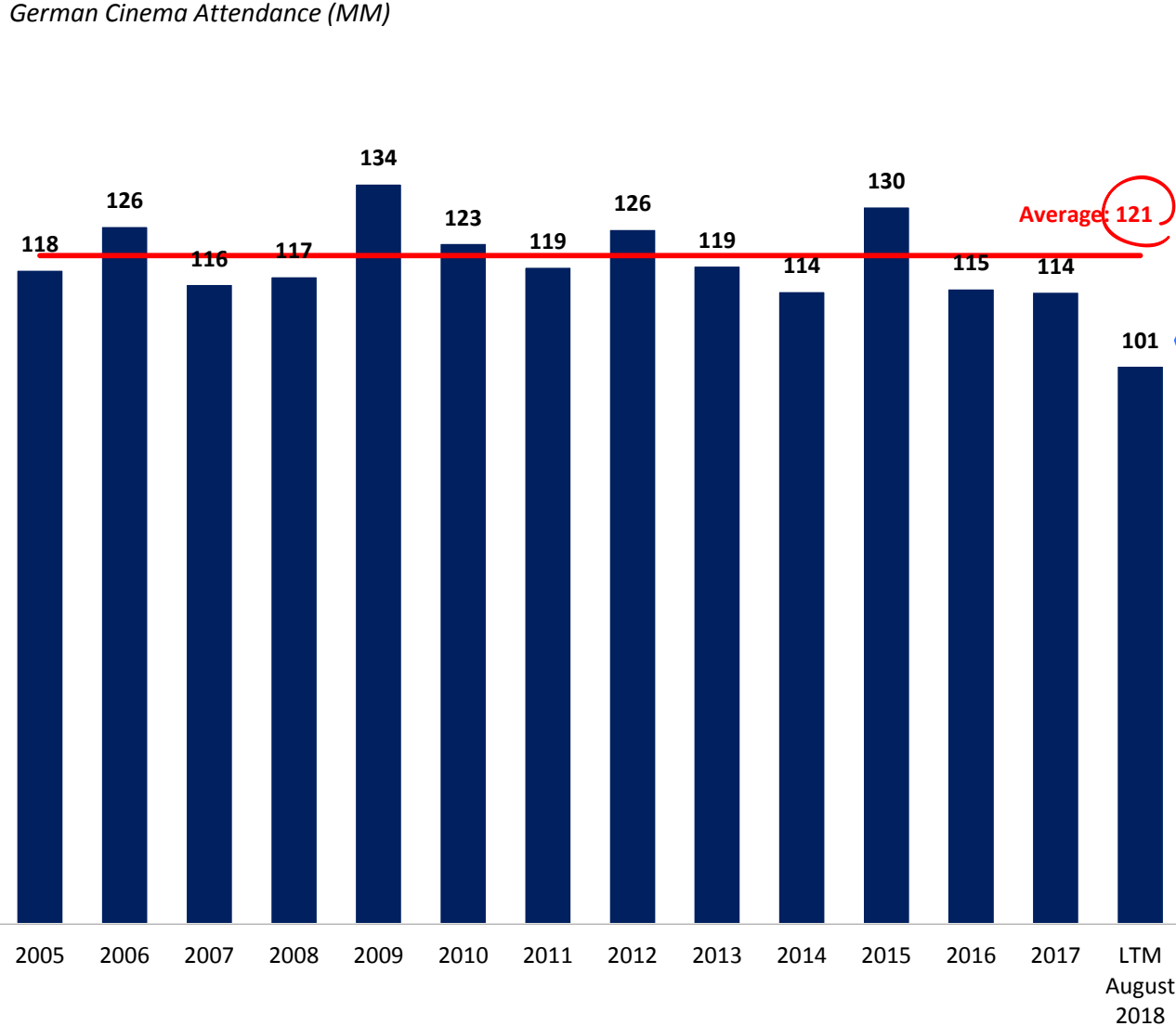
Vue Screens, Aug-18



# Benefit from German market recovery

## German cinema attendance below long-term average

German Cinema Attendance (MM)



*Negative impact from FIFA 2018 World Cup*

*Weaker than expected slate quality in H1 2018*

*Reduction in number of films produced in genres such as Animation and Comedy*

*Fewer international films from independent distributions reached 500k of admissions*

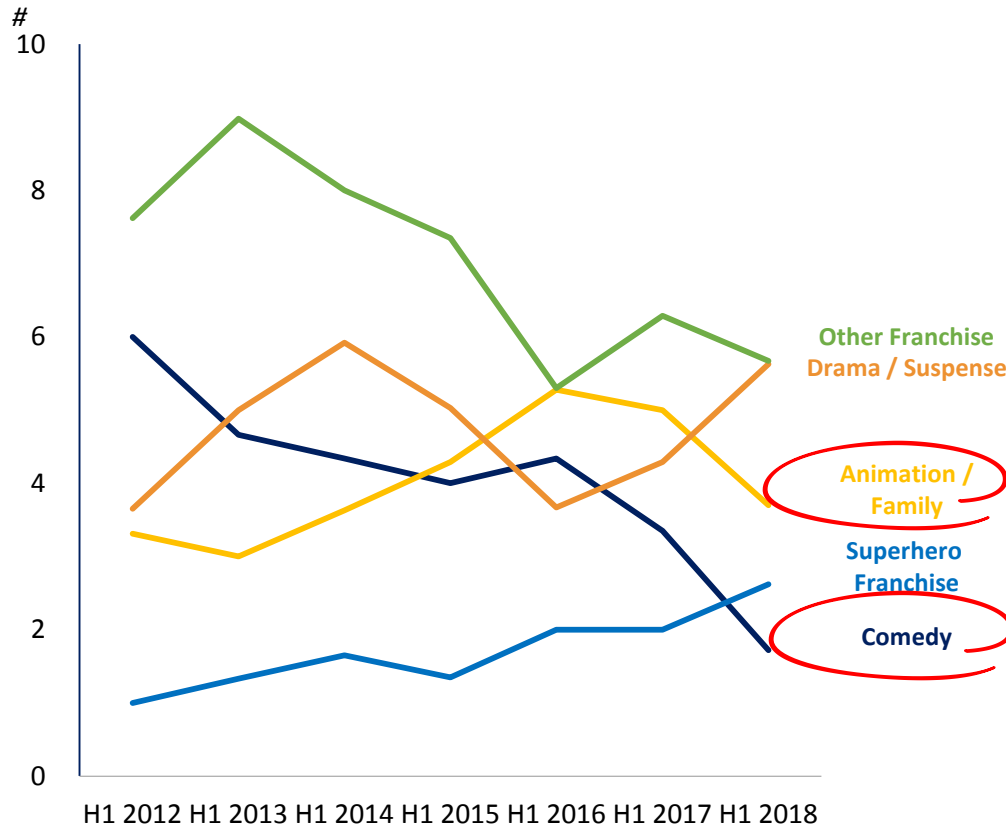
*Underperformance of "Solo: A Star Wars Story", which was expected to reach 3m+ attendance*

**LTM August 2018 underperformance affected by short term and one-off impacts**

# H1 2018 attendance impacted by adverse genre shift and underperformance of international hits

## 3Y average films released by genre

International Films from Major Studios where admissions/film >500k in Germany<sup>(1)</sup>

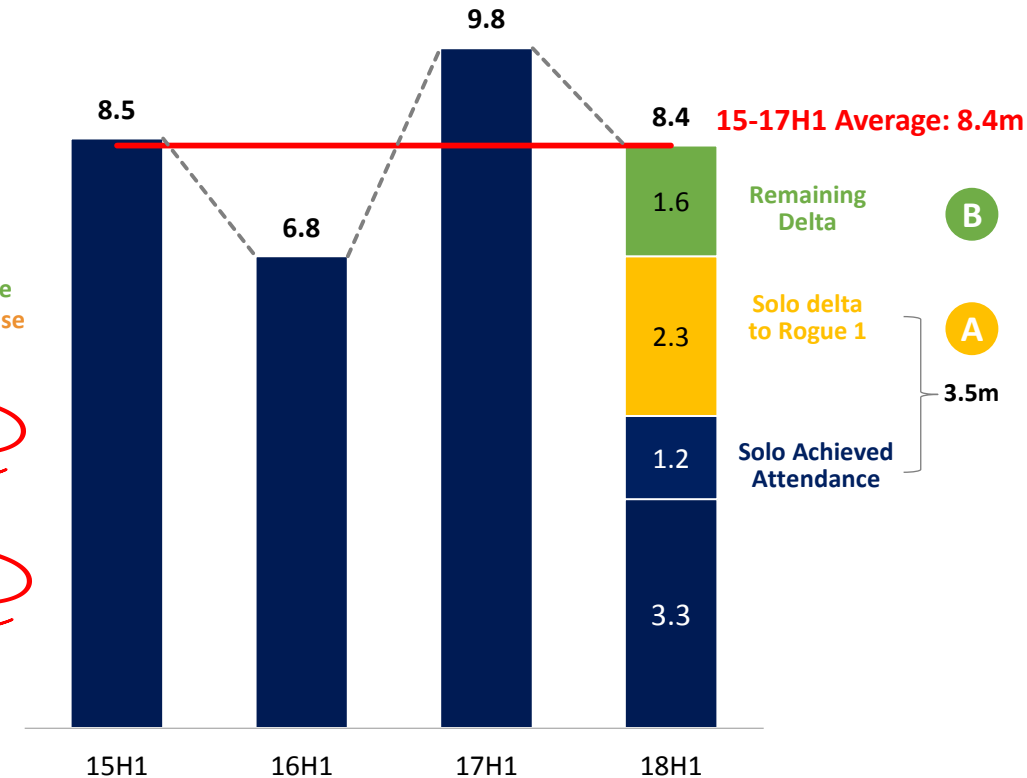


H1 2012 H1 2013 H1 2014 H1 2015 H1 2016 H1 2017 H1 2018

**Attendance has been impacted by an adverse genre shift, with comedy declining over recent years and a one-off drop in animation in H1 2018**

## H1 admissions from Blockbusters

Films generating 3m+ admissions in Germany (Attendance, m)



**A** **'Solo: A Star Wars Story' underperformance:** expected attendance of 3.5m, in-line with predecessor 'Rogue One: A Star Wars Story' → Achieved attendance: 1.2m, or 2.3m negative variation

**B** **Absence of other +3m movie events:** Lack of relevant releases / lower performance from Avengers than other markets - €1.6m negative variation to 2015-17 average

Source: IBOE, Company information  
Note

1. Films released in January-June each year, with over 500k admissions total, includes only International films released by Universal, Fox, Warner Bros, Disney, Sony, Paramount and Studio Canal



# Well invested estate with several upside opportunities

CineStar has a modern and well-invested circuit...

Frankfurt



Ingolstadt



Berlin



Dortmund



Erlangen



... with several optimization opportunities

VIP seats



Refurbishments



Scheduling



Best practices



5

## Financial Overview



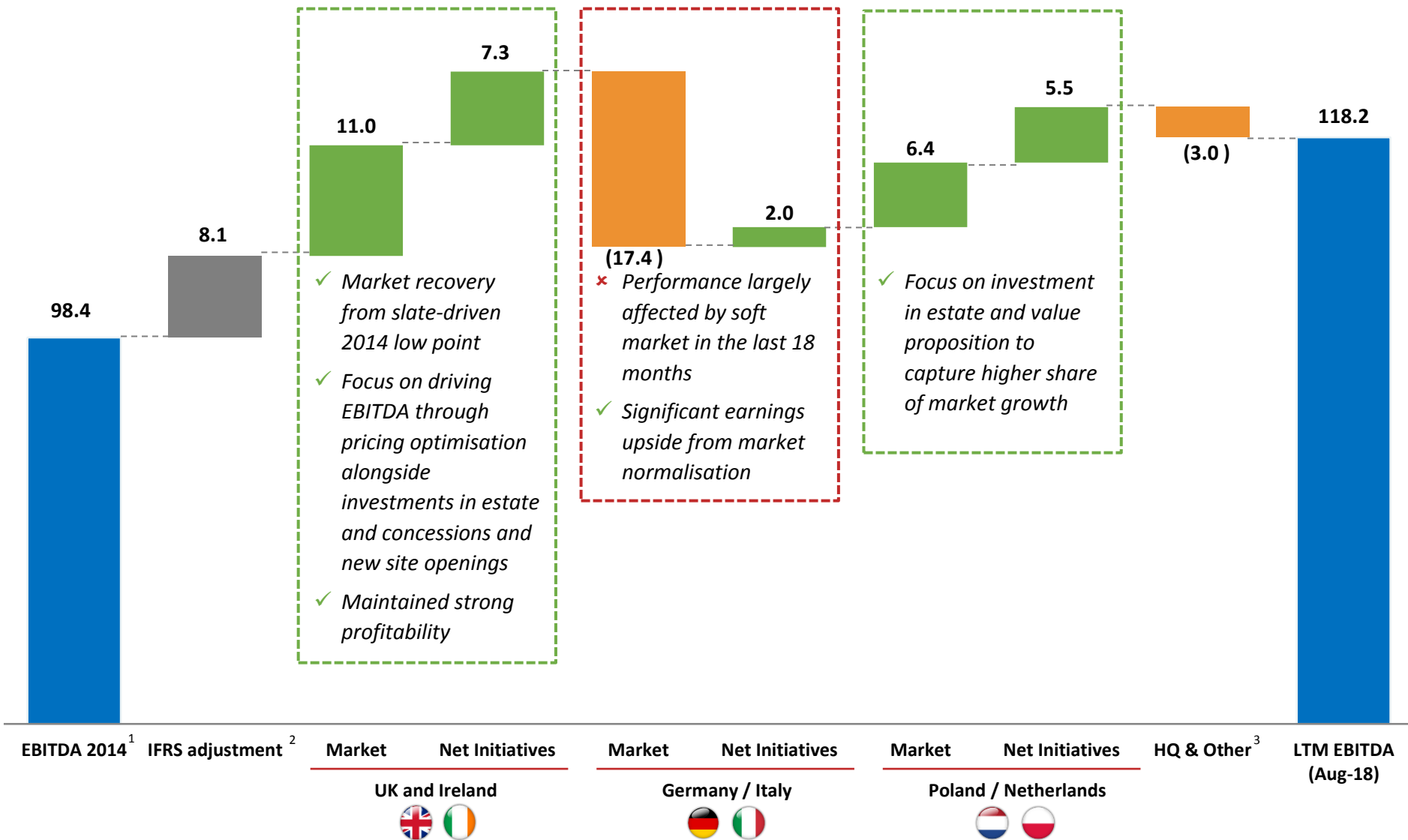
# Vue group key financial highlights (FY14 to LTM Aug 18)

<p><b>Admissions</b></p>	<ul style="list-style-type: none"> <li>■ Vue's admissions have increased by c.1.2% CAGR since 2014, driven by growth markets (+4.8% CAGR) whilst mature markets have remained generally flat (+0.5% CAGR) with an LTM Aug 2018 peak in the UK being offset by dips in Germany and Italy</li> <li>■ Even in the context of challenging market conditions (market admissions are down by a blended 4.8% (Aug 2018 YTD v.s. Aug 2017 YTD) in Vue's 5 major territories), Vue increased its admissions by 4.3% reflecting the successful price optimisation strategy in the UK, the benefit from Digital and CVM initiatives and refurbishments in the UK, Germany, the Netherlands and Poland</li> </ul>
<p><b>Revenues, operational efficiency and focus on cost control</b></p>	<ul style="list-style-type: none"> <li>■ Focus on enhanced offering, price optimisation and increased concessions sales have resulted in an increased revenue per head in all territories except the UK in the LTM Aug 18 period; however increased admissions in the UK have more than offset the lower ATP and have increased EBITDA</li> <li>■ Efficiencies and incremental EBITDA also delivered through deploying film scheduling software tools, multi territory procurement, rent re-gears, site staff flex arrangements, energy savings projects, sharing operational best practice</li> </ul>
<p><b>Vue's business model: fixed and variable components</b></p>	<ul style="list-style-type: none"> <li>■ Revenues are generally driven by admissions which in turn are driven by the quality and appeal of the film slate</li> <li>■ Variable costs include film rental, concessions costs and an element of staffing costs and utilities and turnover rent</li> <li>■ Fixed costs in the short to medium term include base rent, rates, service charges, base staffing levels etc</li> </ul>
<p><b>Strong and consistent cash generation</b></p>	<ul style="list-style-type: none"> <li>■ Strong operating free cash flow conversion<sup>(1)</sup> averaging 90%+ of EBITDA over the period</li> <li>■ High free cash flow conversion provides funds to service interest payments and de-lever, with discretionary capex re-investment to fuel future growth</li> </ul>
<p><b>Structurally negative working capital</b></p>	<ul style="list-style-type: none"> <li>■ Vue's business model benefits from cash-based sales, distributor payment terms c. 4-6 weeks later and relatively low inventory of concessions products</li> <li>■ Intra year fluctuations are impacted by the timing of periodic payments for rent and direct cost items</li> </ul>
<p><b>Well-invested estate and strong head office function</b></p>	<ul style="list-style-type: none"> <li>■ c.£140m capex invested from start of 2014</li> <li>■ 7 net new sites and net 84 screens opened over same period (pro forma basis) in addition to 30 refurbishments</li> <li>■ Well maintained circuits with majority of expenditure being discretionary in nature</li> <li>■ Investment in Group Head Office function over the period including high calibre hires in finance and operations</li> </ul>

Note:  
1. Defined as (EBITDA – Maintenance capex) / EBITDA

# Despite market headwinds in Germany / Italy, management initiatives have grown EBITDA over the past 4 years

Indicative Vue historical EBITDA bridge (2014 - LTM Aug-2018) - £m



**Note:** Vue's financials converted at EUR/GBP FX rate of 1.1152, PLN/GBP FX rate of 4.7735; constant currency. Market driven growth in the chart above represents the calculated Vue benefit (using 2014 market share and variable profit per head) from 2014 to LTM August 2018 movement in market admissions sizes (with market sizes adjusted to remove estimated primary market growth from new sites and new volume enhancing initiatives). Initiatives represents the remaining change in Vue EBITDA not driven by the Market growth

1. EBITDA under UK GAAP in 2014. £1.1m of EBITDA from discontinued film distribution activities in Poland removed in FY 2014  
 2. Restatement of UK and Germany accounts to IFRS in 2015  
 3. Other includes contribution from Taiwan and Corporate segment

## 2014A – LTM Aug 2018: Consolidated Income Statement (Constant Perimeter, Constant Currency)

- Admissions growth c.5% from 79.3m to 83.0m driven by strategic initiatives and market factors
- Admissions outperformance in 2015 driven by strong international slate and strong local titles in Germany
- Growth in ATP and SPP metrics. ATP reduction in 2018 reflecting price optimisation strategy successfully deployed in the UK
- Stable gross margin 62-63% throughout the period
- Investments in central costs to support increased group scale
- Rent profile reflects new sites and indexation being partially offset by re-gear efficiencies
- EBITDA reduction in Aug 2018 LTM driven by short term market softness in Germany and Italy and a generally weak summer caused by the FIFA World Cup and unusually hot weather in Europe for a sustained period

	£m, FYE Nov	2014A <sup>(1)</sup>	2015A	2016A	2017A	LTM Aug 2018	2014-LTM Aug 18 CAGR
KPIs	<b>Admissions (m)</b>	<b>79.3</b>	<b>85.1</b>	<b>82.8</b>	<b>80.9</b>	<b>83.0</b>	<b>1.2%</b>
	Number of Sites	208	210	211	212	214	0.8%
	Number of Screens	1,842	1,864	1,879	1,902	1,920	1.1%
	ATP (£)	6.05	6.33	6.49	6.51	6.11	0.3%
	SPP (£)	2.03	2.16	2.23	2.35	2.40	4.5%
	Total Revenue Per Person (£)	9.16	9.65	9.88	9.97	9.61	1.3%
P&L	<b>Group Revenue</b>	<b>726.7</b>	<b>821.0</b>	<b>818.4</b>	<b>806.3</b>	<b>797.5</b>	<b>2.5%</b>
	<b>Gross Profit</b>	<b>454.8</b>	<b>509.6</b>	<b>508.7</b>	<b>503.6</b>	<b>502.3</b>	<b>2.7%</b>
	<i>Gross Profit %</i>	<i>62.6%</i>	<i>62.1%</i>	<i>62.2%</i>	<i>62.5%</i>	<i>63.0%</i>	
	Operating Expenses	218.6	228.8	231.5	238.2	246.0	3.2%
	<i>Operating Expenses % Revenue</i>	<i>30.1%</i>	<i>27.9%</i>	<i>28.3%</i>	<i>29.5%</i>	<i>30.8%</i>	
	Rent	<b>129.8</b>	<b>131.7</b>	<b>132.6</b>	<b>135.1</b>	<b>138.1</b>	1.7%
	<b>Company EBITDA<sup>(2)</sup></b>	<b>106.5</b>	<b>149.1</b>	<b>144.6</b>	<b>130.3</b>	<b>118.2</b>	<b>2.8%</b>
	<i>Company EBITDA %</i>	<i>14.6%</i>	<i>18.2%</i>	<i>17.7%</i>	<i>16.2%</i>	<i>14.8%</i>	

### Note

- Restated from UK GAAP to IFRS for illustrative purposes
- £1.1m of EBITDA from discontinued distribution activities removed in FY 2014

# Income statement: Mature Markets

## Vue UK & Ireland, CinemaxX, The Space

### 2014A – LTM Aug 2018: Income Statement (Constant Perimeter, Constant Currency)

- The overall admissions trend in Vue's most mature markets is flat with annual ups and downs driven by the quality and appeal of the film slate
- Each market has a different admits peak year in the period under review
- Germany 2015: driven by 2 local titles (Fack Ju Gohte 2, Honig im Kopf), Minions, Hobbit 3, SPECTRE
- Italy 2016: driven by 2 local titles, (Quo Vado? and Perfetti Sconosciuti) and Star Wars: Force Awakens
- UK Aug-18 LTM driven by Star Wars: The Last Jedi, Avengers Infinity War, Mamma Mia 2, Incredibles 2 and Black Panther
- Operating leverage can be seen clearly in 2015 when the peak admits period delivered the peak EBITDA % margin
- Opex as a % of revenue has increased as the increase in UK variable costs to service increased admissions has not been fully offset by the lower variable costs in Germany and Italy where there is less flexibility to reduce staff levels

	£m, FYE Nov	2014A <sup>(1)</sup>	2015A	2016A	2017A	LTM Aug 2018	2014-LTM Aug 18 CAGR
KPIs	<b>Admissions (m)</b>	<b>64.2</b>	<b>68.8</b>	<b>64.9</b>	<b>63.2</b>	<b>65.5</b>	<b>0.5%</b>
	Number of Sites	152	153	154	156	158	1.0%
	Number of Screens	1,444	1,454	1,463	1,493	1,506	1.1%
	ATP (£)	6.42	6.69	6.93	6.91	6.43	0.0%
	SPP (£)	2.09	2.21	2.29	2.41	2.46	4.5%
	Total Revenue Per Person (£)	9.62	10.09	10.45	10.49	10.04	1.2%
P&L	<b>Group Revenue</b>	<b>617.8</b>	<b>693.7</b>	<b>678.3</b>	<b>662.4</b>	<b>657.7</b>	<b>1.7%</b>
	<b>Gross Profit</b>	<b>388.1</b>	<b>430.6</b>	<b>422.7</b>	<b>415.1</b>	<b>416.6</b>	<b>1.9%</b>
	<i>Gross Profit %</i>	<i>62.8%</i>	<i>62.1%</i>	<i>62.3%</i>	<i>62.7%</i>	<i>63.3%</i>	
	Operating Expenses	182.7	190.5	189.6	193.6	201.2	2.6%
	<i>Operating Expenses % Revenue</i>	<i>29.6%</i>	<i>27.5%</i>	<i>28.0%</i>	<i>29.2%</i>	<i>30.6%</i>	
	Rent	<b>113.2</b>	<b>113.8</b>	<b>113.8</b>	<b>116.7</b>	<b>120.3</b>	1.6%
	<b>Company EBITDA Excl. Corporate Costs</b>	<b>92.2</b>	<b>126.3</b>	<b>119.3</b>	<b>104.8</b>	<b>95.1</b>	<b>0.8%</b>
<i>Company EBITDA %</i>	<i>14.9%</i>	<i>18.2%</i>	<i>17.6%</i>	<i>15.8%</i>	<i>14.5%</i>		

**Note**

1. Restated from UK GAAP to IFRS for illustrative purposes

# Income statement: Growth Markets

## Multikino & Vue Netherlands

### 2014A – LTM Aug 2018: Income Statement (Constant Perimeter, Constant Currency)

- Vue's admits increased by 4.8% CAGR over the period under review despite no increase in net sites and only a small increase in screens
- Similar to the mature markets Poland and the Netherlands also experienced a weak summer in 2018 due to weather and FIFA World Cup hence the small reduction in admits in Aug-18 LTM vs 2017
- Revenues increased by 7.3% CAGR due to the growth in admits combined with growth in revenue per person, notably SPP
- The introduction of minimum wage legislation in Poland at the start of 2017 increased operating expenses by c. £1.2m v.s 2016
- EBITDA has increased significantly over the period to deliver a 13.1% CAGR. Margins consistently high in the 24-25% range following the significant increase which was delivered in 2015

	£m, FYE Nov	2014A	2015A	2016A	2017A	LTM Aug 2018	2014-LTM Aug 18 CAGR
KPIs	<b>Admissions (m)</b>	<b>13.8</b>	<b>15.0</b>	<b>16.8</b>	<b>16.6</b>	<b>16.4</b>	<b>4.8%</b>
	Number of Sites	55	56	56	55	55	0.0%
	Number of Screens	382	394	396	389	394	0.8%
	ATP (£)	4.41	4.80	4.82	4.97	4.79	2.2%
	SPP (£)	1.85	2.06	2.07	2.20	2.21	4.8%
	Total Revenue Per Person (£)	7.32	7.94	7.87	8.13	8.00	2.4%
P&L	<b>Group Revenue</b>	<b>101.0</b>	<b>119.1</b>	<b>131.9</b>	<b>134.7</b>	<b>131.5</b>	<b>7.3%</b>
	<b>Gross Profit</b>	<b>62.4</b>	<b>74.4</b>	<b>81.6</b>	<b>83.4</b>	<b>81.2</b>	<b>7.2%</b>
	<i>Gross Profit %</i>	<i>61.8%</i>	<i>62.4%</i>	<i>61.9%</i>	<i>61.9%</i>	<i>61.7%</i>	
	Operating Expenses	26.9	29.6	30.8	32.5	32.8	5.4%
	<i>Operating Expenses % Revenue</i>	<i>26.6%</i>	<i>24.8%</i>	<i>23.3%</i>	<i>24.1%</i>	<i>24.9%</i>	
	Rent	<b>15.3</b>	<b>16.2</b>	<b>17.3</b>	<b>16.7</b>	<b>16.3</b>	1.7%
	<b>Company EBITDA Excl. Corporate Costs<sup>(1)</sup></b>	<b>20.2</b>	<b>28.6</b>	<b>33.5</b>	<b>34.2</b>	<b>32.1</b>	<b>13.1%</b>
	<i>Company EBITDA %</i>	<i>20.0%</i>	<i>24.0%</i>	<i>25.4%</i>	<i>25.4%</i>	<i>24.4%</i>	

**Note**

1. £1.1m of EBITDA from discontinued distribution activities removed in FY 2014

# Vue's business model: fixed and variable components

	Indicative		Comments
	Fixed	Variable	
<b>Revenue</b>			
Box Office		100%	Box office revenue is the largest component of Vue's revenue and is a function of the average net ticket price and total admissions
Concessions		100%	Concession sales are mainly driven by admissions, film genre, length of film and presence of intermissions in certain markets
Advertising	25%	75%	Screen advertising revenue varies depending on the number of attendees who view the film, the type of film screened, the minutes and value of advertising sold; Vue also sells advertising on its website and in foyer
Other	25%	75%	Additional revenue streams including hire of auditoria for corporate conferences, sales of 3D glasses, booking fee income for online reservations
<b>Direct Costs</b>			
Film rental		100%	Film rental costs fluctuate with box office revenue due to the fact that rental costs are generally paid to film distributors as a percentage of box office revenue; typically higher for successful films
Concessions COGS		100%	Concession COGS are driven by concessions sales ; reflects the cost of purchasing retail goods for resale from various suppliers
Other	25%	75%	Includes marketing, royalties, authors' rights costs, credit card charges, 3D licensing and glasses fees
<b>Admin Expenses &amp; Rent</b>			
Staff costs	80%	20%	Staff costs are calculated on a mostly fixed base costs plus the flexibility to adapt to periods of high or low attendance with part-time staff and temporary workers. Ability to flex costs varies across the territories with faster and more agile staff flexibility typical in the UK and Poland v.s. longer lead times historically in Germany and, in particular, Italy. Project to increase flexibility in Italy recently implemented.
HQ and other	100%		Fixed in the short term
Other	90%	10%	Includes other site operating costs including utilities, repairs & maintenance and other property costs. A small amount (e.g. energy and repairs & maintenance) may fluctuate depending on admissions volumes
Rent	90%	10%	Fixed base rent generally based on long-term contracts; a portion of leases requires additional rent payments based on a percentage of the leased cinema's revenue above a base amount (turnover-based rent)

**Business model driven by admissions, which drive significant variable revenues and costs against a fixed cost base of rent, staffing and certain operating costs**



## 2016A – LTM Aug 2018: Consolidated Cash Flow Statement (Actual FX)

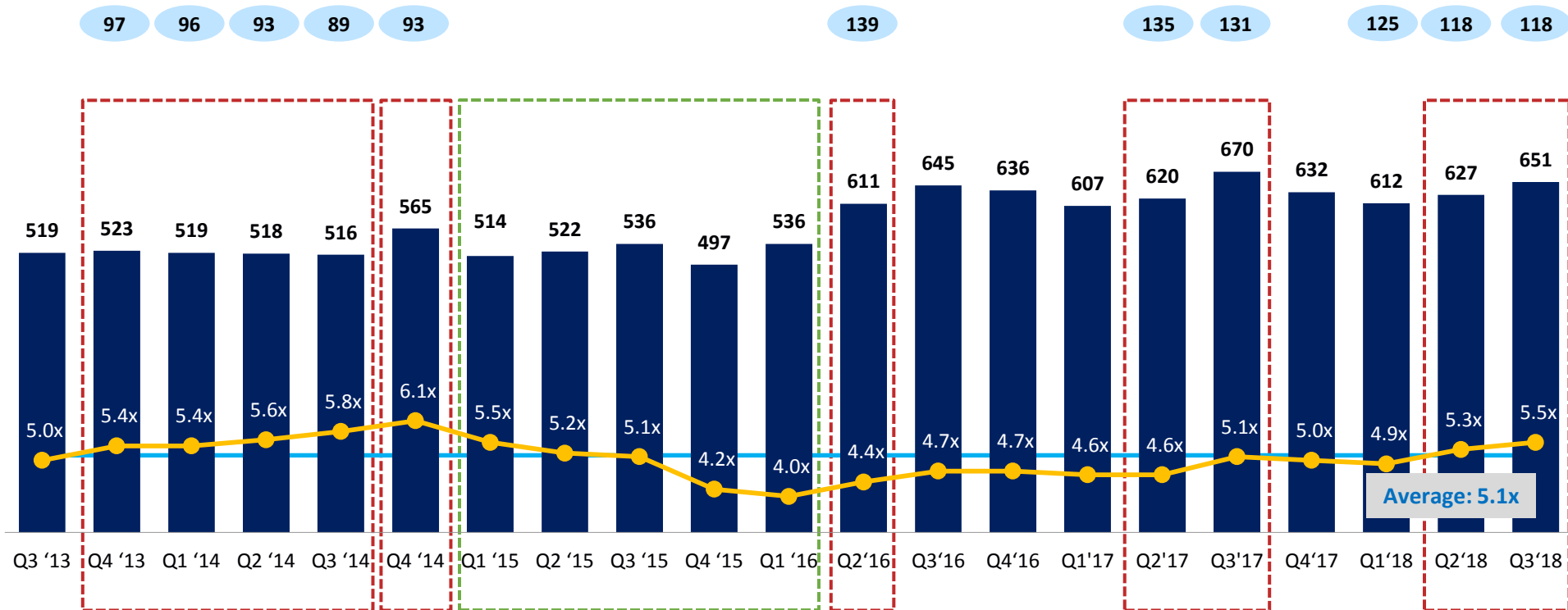
- 'Other adjustments' includes:
  - Non-recurring restructuring and redundancy of £2-3m p.a.
  - One-off transaction costs of £3-6m p.a. on strategic deals and corporate processes
  - Pre opening and site abandonment costs of up to £1.5m p.a.
  - Non cash and other adjustments
- 2017 'Investment in subsidiaries' refers to the Manchester Printworks acquisition where Vue received c.£8m for the site purchase. 2018 reflects the acquisition of the Showtime sites in Ireland
- Growth capex is discretionary and includes a one off investment of £6.2m in 2017 to redevelop the flagship West End site in Leicester Square. Other investments include new site capex, refurbishments in the Netherlands and the UK as well as recliner seating and investments in a common Digital CVM platform being rolled out across Vue's key markets

	£m, FYE Nov	2016A	2017A	LTM Aug 2018
Cash Flow	<b>EBITDA</b>	<b>135.7</b>	<b>126.0</b>	<b>118.5</b>
	(Increase)/Decrease in Working Capital	(12.6)	5.0	16.0
	Tax	(8.6)	(10.4)	(9.6)
	LLC and Onerous leases	(8.3)	(10.8)	(10.7)
	Other Adjustments	(9.1)	(11.8)	(15.8)
	<b>Operating Cash Flow</b>	<b>97.1</b>	<b>98.0</b>	<b>98.4</b>
	<i>Operating Cash Conversion %</i>	<i>71.6%</i>	<i>77.8%</i>	<i>83.1%</i>
	Investments in Subsidiaries	-	8.2	(6.4)
	Maintenance Capex	(10.4)	(12.6)	(12.7)
	Growth Capex	(18.2)	(26.6)	(19.4)
<b>Free Cash Flow</b>	<b>68.5</b>	<b>67.0</b>	<b>59.9</b>	

# Vue leverage evolution over time

## £m, Net Debt/EBITDA (FYE 30-November, As Reported)

Leverage has moved within a relatively narrow range above and below a 5.1x average with significant deleveraging being driven by strong slates and more modest increases occurring when film slates and admissions are less strong (eg FIFA World cup years 2014 and 2018)



Increase in leverage driven by lower LTM EBITDA due to the UK market underperformance driving lower admissions (-5.7% FY14 YoY); adverse movements in EUR and PLN against GBP, and the FIFA World Cup

€70m debt issuance to fund the TSC acquisition (leverage neutral)

Exceptional slate with strong international titles (Hobbit 3, Q1 15; Avengers Age Of Ultron, Q2 15; Jurassic World, Q3 15; SPECTRE, Q4 15; Star Wars The Force Awakens, Q1 16) and local titles (Honig Im Kopf, Germany Q1 15; FJG2, Germany Q4 15; Quo Vado, Italy Q1 16)

€120m debt issuance to fund the JTB acquisition (leverage neutral)

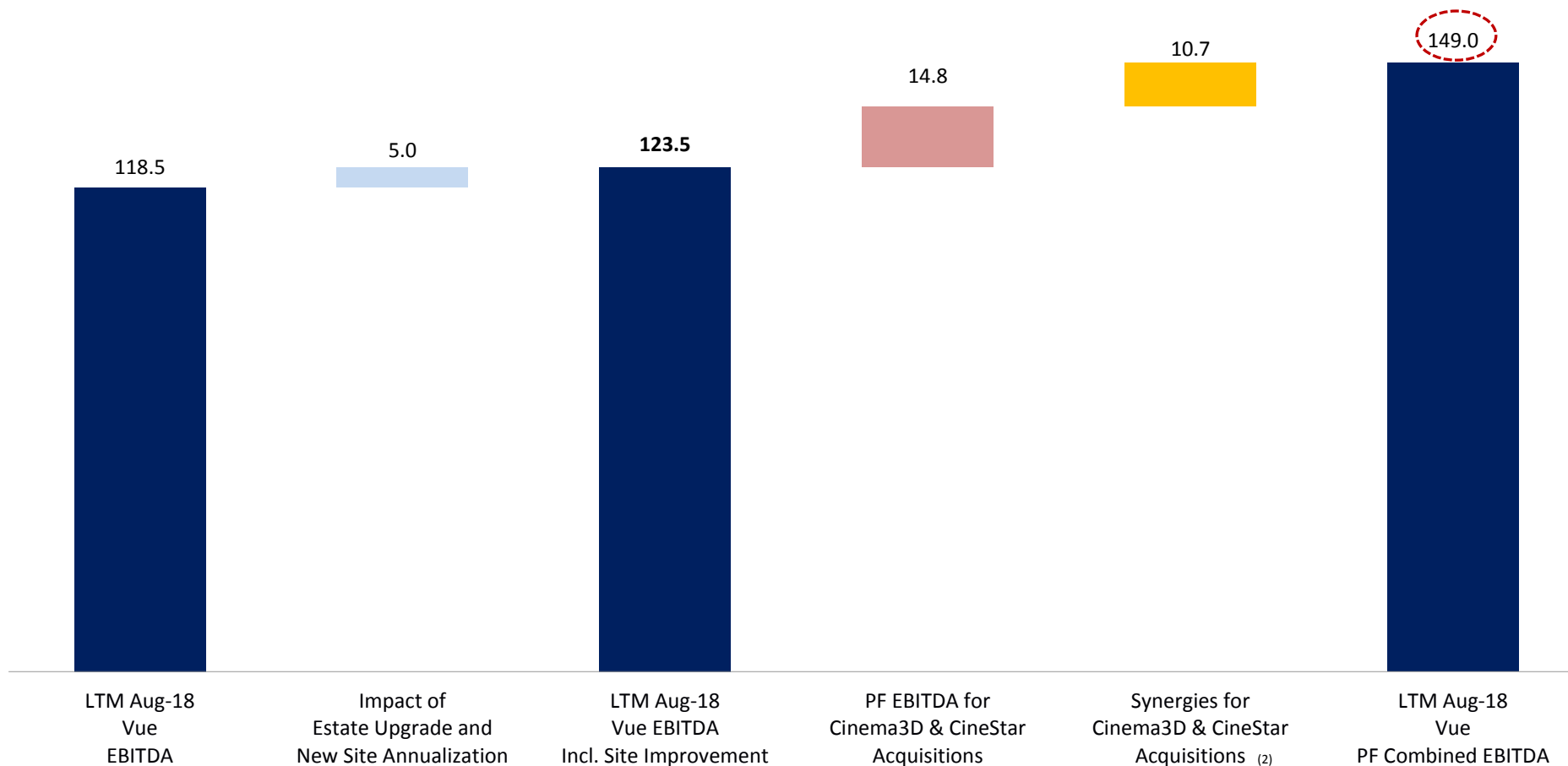
Increase in debt driven by FX rates (Sterling at €1.08 to £1) which increased the reported value of Euro bonds/loans, plus capex for recliners and refurb

Increase in leverage driven by lower LTM EBITDA on the back of weaker slate, summer heatwave and FIFA World Cup

# Leverage neutral transaction on Adj. LTM Aug-18 EBITDA

## Vue Pro Forma EBITDA

£m<sup>1</sup>



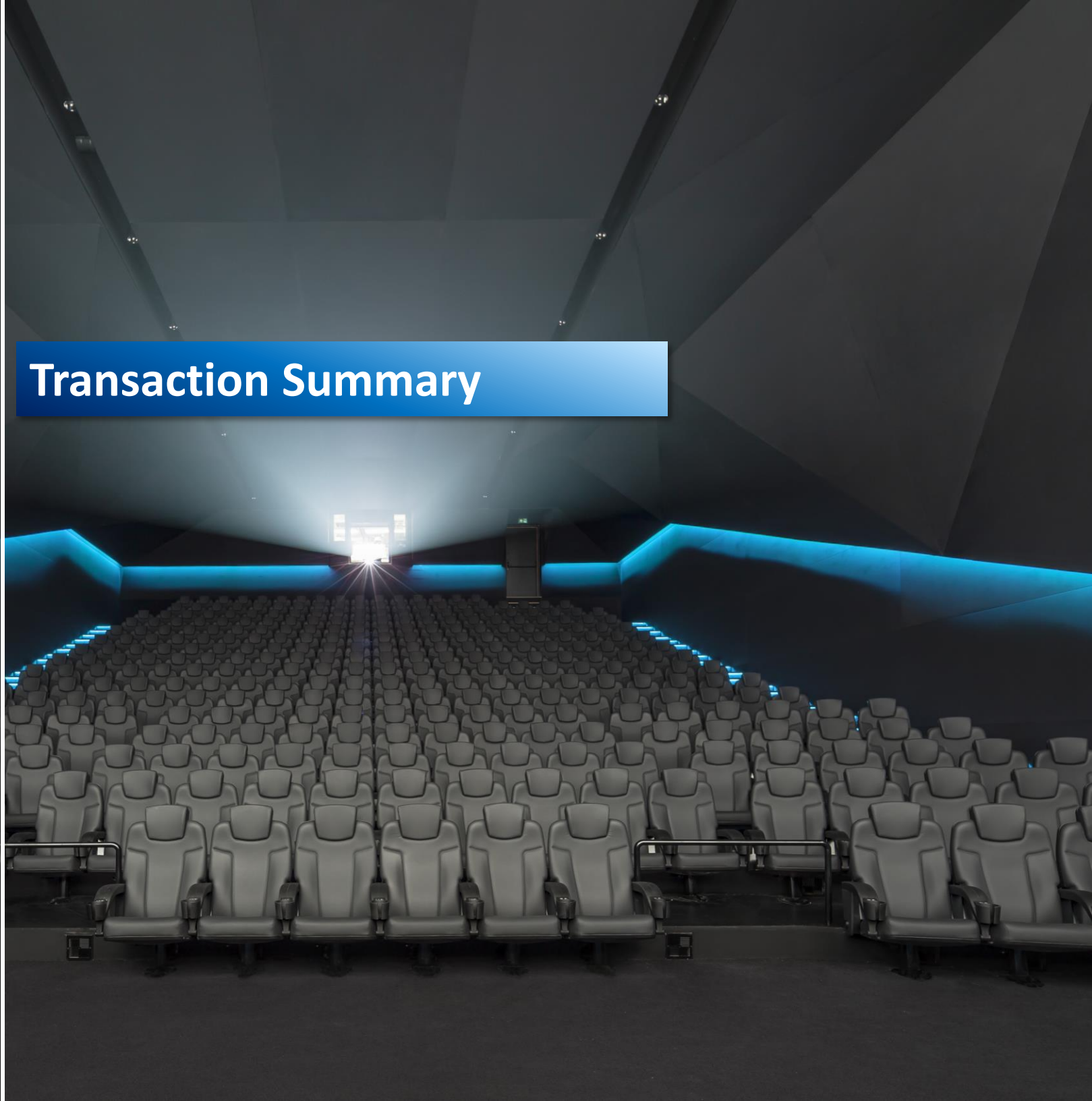
**Leverage expected to remain flat at 5.5x based on PF EBITDA £149m including impact of recent investments and acquisitions**

**Note**

1. Assuming EUR / GBP FX rate of 1.1152
2. Comprises £1.3m of Cinema3D synergies and £9.4m of synergies across Germany (excludes £0.3m of non-leverageable cost synergies in Germany)



# Transaction Summary



<h2>Introduction</h2>	<ul style="list-style-type: none"> <li>■ Vue International Bidco plc (“Vue”) recently announced the acquisition of CineStar in Germany increasing the Group’s scale, geographic diversification and creating the leading operator in the German market with over 20% market share of admissions</li> <li>■ Vue intends to launch a full refinancing of its capital structure with the objective of increasing maturities, reducing cost of debt and increasing flexibility in addition to raising proceeds for the CineStar acquisition</li> <li>■ Vue continues to be a leading operator in the global exhibition industry with scale and leadership in its core European markets, a state of the art well-invested estate and a strong founder led management team</li> </ul>
<h2>Financing</h2>	<ul style="list-style-type: none"> <li>■ Vue intends to raise: €480m (c.£430m) EUR Senior Secured Term Loan B, £300m GBP Senior Secured Term Loan B and €114m (c.£102m) EUR Senior Secured Term Loan B (delayed draw tranche). The existing £60m equivalent Super Senior Revolving Credit Facility will also be refinanced on a senior secured basis and upsized as part of the refinancing (the “Financing”)</li> </ul>
<h2>Use of Proceeds</h2>	<ul style="list-style-type: none"> <li>■ Proceeds from the transaction will be used to:             <ul style="list-style-type: none"> <li>■ Refinance Vue’s existing indebtedness including €120m EUR Senior Secured Term Loan B, €360m EUR Senior Secured Floating Rate Notes and £300m GBP Senior Secured Notes (the “Refinancing”)</li> <li>■ Fund the majority of the initial purchase consideration of the recent CineStar acquisition (€130m)<sup>(1)</sup>. The balance of the initial purchase consideration will be funded from existing cash resources</li> </ul> </li> </ul>
<h2>Leverage</h2>	<ul style="list-style-type: none"> <li>■ Pro-forma for the acquisitions of CineStar &amp; Cinema3D<sup>(2)</sup> and associated synergies, as well as the Refinancing, Vue’s Net Total Leverage is expected to remain flat at 5.5x based on LTM Aug-18 Pro Forma Combined EBITDA of £149m             <ul style="list-style-type: none"> <li>■ Interest expense is expected to decrease pro forma for the Financing</li> </ul> </li> </ul>
<h2>Ratings</h2>	<ul style="list-style-type: none"> <li>■ Vue’s corporate ratings are expected to remain unchanged at B3 / B pro forma for the Financing</li> </ul>
<h2>Acquisition</h2>	<ul style="list-style-type: none"> <li>■ The CineStar acquisition is expected to close in H2 2019, following review by the German Competition authorities             <ul style="list-style-type: none"> <li>■ The €114m (c.£102m) EUR Senior Secured Term Loan B delayed draw tranche will be fungible with the €480m EUR Senior Secured Term Loan B</li> </ul> </li> </ul>

**Note**

1. The acquisition of CineStar also has a variable consideration of up to €91.8m; the variable payment, if any, should be made to the seller no later than 30 June 2020
2. Acquisition of 11 sites in Poland; signed on 30 June 2018 with closing subject to Polish competition review

# Indicative sources & uses and pro forma capitalisation table

## Indicative sources and uses <sup>(1)</sup>

Sources	£ m	Uses	£ m
New EUR Senior Secured Term Loan B (€480m)	430.4	Refinancing Existing Senior Debt	730.4
New GBP Senior Secured Term Loan B (€300m)	300.0	CineStar Initial Purchase Consideration	116.6
New EUR Senior Secured Term Loan B for CineStar Acquisition - Delayed Draw (€114m)	102.2	CineStar New Site Capex	8.1
Cash	40.5	Transaction Costs <sup>(2)</sup>	18.1
<b>Total Sources</b>	<b>873.2</b>	<b>Total Uses</b>	<b>873.2</b>

## Current and pro forma capitalisation (as of Aug-18)

Facility <sup>(3)</sup>	Current Capital Structure (Aug-18)		PF for Site Upgrade and Full Refi		PF for Cinema3D & CineStar Acquisitions and Full Refi				
	Amt. (£m) <sup>(1)</sup>	x LTM EBITDA	Amt. (£m) <sup>(1)(6)</sup>	x LTM EBITDA	Amt. (£m) <sup>(1)(6)</sup>	x PF EBITDA	Initial Margin (bps) / Coupon (%)	Floor (%)	Maturity / Tenor
Super Senior Revolving Credit Facility (€60m-eq.)	-	-	-	-	-	-	E/L+350 bps	0.0%	Jul-19
<b>New Senior Secured Revolving Credit Facility (€65m-eq.) <sup>(4)</sup></b>	-	-	-	-	-	-	<b>E/L+ [ • ] bps</b>	<b>0.0%</b>	<b>6-yr</b>
EUR Term Loan B (€120m)	105.8	0.9x	-	-	-	-	E+550 bps	0.0%	Jul-23
EUR Floating Rate Notes (€360m)	318.1	2.7x	-	-	-	-	E+525 bps	n.a.	Jul-20
GBP Senior Secured Notes (€300m)	297.2	2.5x	-	-	-	-	7.875%	n.a.	Jul-20
<b>New EUR Senior Secured Term Loan B (€480m)</b>	-	-	<b>430.4</b>	<b>3.5x</b>	<b>430.4</b>	<b>2.9x</b>	<b>E+[ • ] bps</b>	<b>0.0%</b>	<b>7-yr</b>
<b>New GBP Senior Secured Term Loan B (€300m)</b>	-	-	<b>300.0</b>	<b>2.4x</b>	<b>300.0</b>	<b>2.0x</b>	<b>L+[ • ] bps</b>	<b>0.0%</b>	<b>7-yr</b>
<b>New EUR Senior Secured Term Loan B for CineStar Acquisition (€114m)</b>	-	-	-	-	<b>102.2</b>	<b>0.7x</b>	<b>E+[ • ] bps</b>	<b>0.0%</b>	<b>7-yr</b>
Finance Leases, External Loans and Other <sup>(5)</sup>	29.5	0.2x	29.5	0.2x	29.5	0.2x	-	-	-
<b>Gross Total Debt</b>	<b>750.5</b>	<b>6.3x</b>	<b>759.9</b>	<b>6.2x</b>	<b>862.1</b>	<b>5.8x</b>	-	-	-
Unrestricted Cash	(99.5)	(0.8x)	(91.1) <sup>(7)</sup>	(0.7x)	(44.2) <sup>(8)</sup>	(0.3x)	-	-	-
<b>Net Total Debt</b>	<b>651.1</b>	<b>5.5x</b>	<b>668.8</b>	<b>5.4x</b>	<b>817.9</b>	<b>5.5x</b>	-	-	-
LTM Aug-18 EBITDA	118.5								
LTM Aug-18 EBITDA Incl. Site Improvement			123.5						
LTM Aug-18 Pro Forma Combined EBITDA					149.0				

### Note

- Based on Q3 period end GBP / EUR FX rate of 1.1152
- Based on €10m transaction cost for CineStar acquisition converted to GBP via GBP / EUR FX of 1.1152 and €9.1m estimated transaction cost for full refinancing excluding OID fees
- Existing senior secured debt facilities based on nominal amounts net of unamortised financing costs
- The Senior Secured Revolving Credit Facility may be upsized to €75m-eq.
- Including €0.3m unamortised financing fee on RCF
- Including €9.3m unamortised issuance costs
- Including impact of £8.4m cash used for full refinancing transaction cost (excl. delayed draw tranche refinancing)
- Including impact of £14.8m cash used for Cinema3D acquisition, £31.4m cash used for CineStar acquisition and €9.1m cash used for full refinancing transaction cost (incl. delayed draw tranche refinancing)

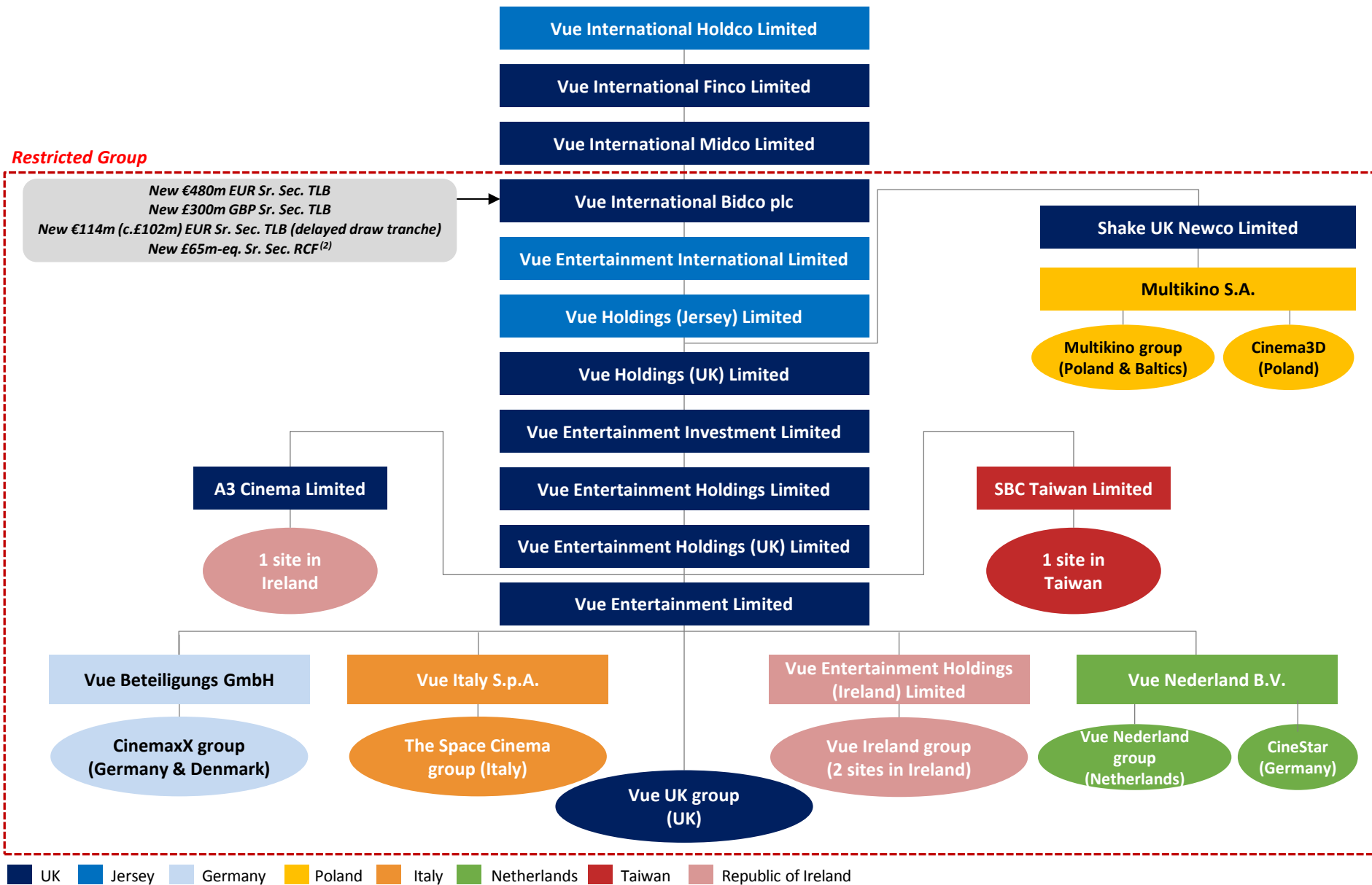
# Summary of key terms

	Senior Secured Revolving Credit Facility	Senior Secured Term Loan B (EUR)	Senior Secured Term Loan B (GBP)
<b>Borrower</b>	Vue International Bidco plc (and post-Closing, together with certain subsidiaries in agreed jurisdictions)		Vue International Bidco plc
<b>Issue</b>	Senior Secured RCF	Senior Secured TLB	
<b>Use of Proceeds</b>	For working capital and general corporate purposes	To finance the majority of the CineStar acquisition, fund CineStar new site capital expenditures, refinance existing debt, and pay related fees and expenses	
<b>Amount</b>	£65m-eq. <sup>(1)</sup>	€480m + €114m (delayed draw tranche)	£300m
<b>Currency</b>	Multicurrency	EUR	GBP
<b>Assumed Corp. Ratings</b>	B3 / B		
<b>Security</b>	1 <sup>st</sup> Lien Security; Security Guarantee as per existing		
<b>Tenor (Maturity)</b>	6.0 years (2024)	7.0 years (2025)	
<b>Voluntary Prepayments</b>	n.a.	6-Month Soft Call 101	
<b>Amortisation</b>	Revolving	Bullet	
<b>Indicative Margin</b>	E/L + [ • ] bps, subject to a margin ratchet	E + [ • ] bps, subject to a margin ratchet	L + [ • ] bps, subject to a margin ratchet
<b>Floor</b>	0%	0%	0%
<b>OID</b>	Par	[ • ]	[ • ]
<b>Ticking Fee on Delayed Draw Tranche</b>	No Drawdown, No fee 0% of margin (0-45 days from allocation) / 50% (46-75 days) / 100% (76 days onwards)		
<b>Financial Covenants</b>	Springing Senior Secured Net Leverage at 35% drawn (35% headroom i.e. 8.5x)	Cov-lite (Incurrence Covenant) as per existing	
<b>Governing Law</b>	English Law		

**Note**

1. The Senior Secured Revolving Credit Facility may be upsized to £75m-eq.

# Simplified group structure chart (1)



**Note**  
 1. This chart excludes dormant companies and intermediate holding companies. The operating groups for each territory comprise numerous operating and holding companies not shown on this chart.  
 2. The Senior Secured Revolving Credit Facility may be upsized to £75m-eq.



# Proposed timetable and key milestones

## November

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

## December

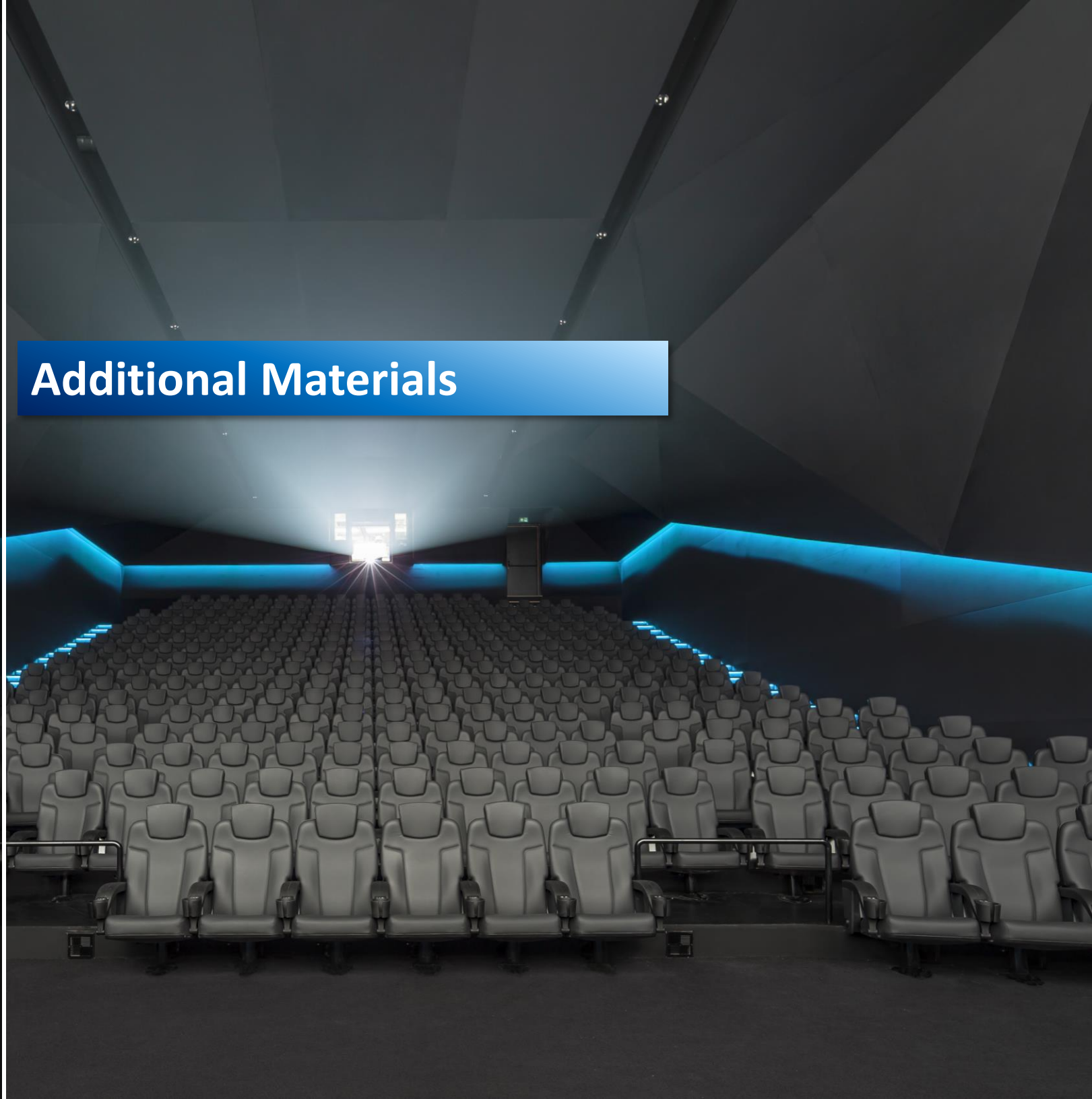
M	T	W	T	F	S	S
26	27	28	29	30	1	2
3	4	<b>5</b>	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	<b>21</b>	22	23
24	<b>25</b>	<b>26</b>	27	28	29	30

■ Key Dates
 ■ UK Public Holiday

21 <sup>st</sup> November	Public Launch of Term Loan General Syndication
21 <sup>st</sup> November	Conditional Redemption Notice on Existing Notes
27 <sup>th</sup> November	Bank Meetings and Investor One-on-One Sessions in London
27 <sup>th</sup> November	Ratings Confirmation Received
5 <sup>th</sup> December	Term Loan Commitment Deadline
21 <sup>st</sup> December	Indicative Funding & Closing
H2 2019	Estimated Drawdown of Delayed Draw Tranche



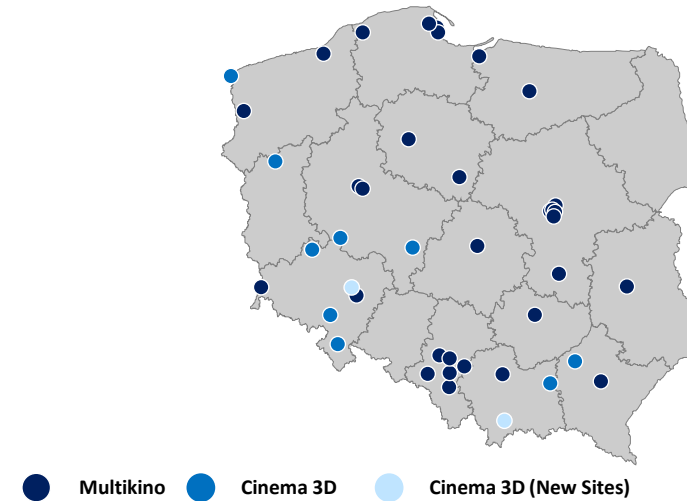
## Additional Materials



## Overview

- Established in 2011, Cinema3D operates 11 sites and 49 screens
  - 3 further sites with 20 screens under development
- Combination of Cinema3D with Multikino (Vue's existing Polish portfolio) expected to further enhance footprint in the country
- Complementary estates, with limited geographic overlap
- Pro forma for the acquisition, Multikino would consist of 45 sites and 321 screens across Poland and the Baltics
- Synergies of c. £1.3m

## Highly complementary footprint



## State-of-the-art circuit in key locations



*Kalisz*



*Mielec*



*Klodzko*