

VOUGEOT BIDCO PLC

QUARTERLY REPORT TO NOTEHOLDERS

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

€290,000,000 SENIOR SECURED FLOATING RATE NOTES DUE 2020

(the "Notes")

Q2 2014 - PERIOD ENDED 29 May 2014

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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 29 May 2014, 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.

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.

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>.

Bidco was incorporated on 2 May 2013 and began trading following its acquisition of Vue Entertainment International Limited (“VEIL”) on 8 August 2013; hence comparative data for the prior year is not available and is not included in the unaudited interim condensed consolidated accounts (“Bidco as Acquired”, page 10 of this report). A reconciliation between the Bidco as Acquired financial statements and the Vougeot Bidco plc unaudited interim condensed consolidated accounts is provided on page 11 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 and year to date to the prior year. The Pro Forma financial information presented in this report has been derived from the consolidated financial statements of Bidco, VEIL, the pre-acquisition consolidated financial information of Multikino S.A. (“Multikino”), CinemaxX Holdings GmbH

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

DISCLAIMER

This 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 | | |
| | 2014 | 2013 | % change | 2014 | 2013 | % change |
| Turnover | 120.7 | 130.3 | (7.3%) | 285.9 | 297.2 | (3.8%) |
| Consolidated EBITDA | 14.9 | 17.4 | (14.4%) | 50.3 | 53.7 | (6.3%) |
| Capital expenditure | (5.2) | (6.3) | 17.6% | (13.6) | (15.7) | 13.0% |
| Admissions (m) | 12.9 | 14.1 | (8.4%) | 30.7 | 32.5 | (5.5%) |
| Number of screens | 1,368 | 1,318 | 3.8% | 1,368 | 1,318 | 3.8% |
| Average ticket price ("ATP") (£) | 6.11 | 6.14 | (0.6%) | 6.14 | 6.11 | 0.5% |
| Concession spend per person ("SPP") (£) | 2.10 | 2.06 | 1.6% | 2.04 | 1.98 | 2.9% |

Unless otherwise stated, discussion in this report relates to Pro Forma data (includes Multikino, CinemaxX and Apollo for period prior to acquisition). Bidco data is presented on an "as Acquired" basis on page 11.

- Major Territories Market GBOR decreased by 5.7% against Q2 2013; down 1.6% YTD.
- Vue Major Territories GBOR for Q2 2014 decreased by 8.8% to £83.6m with market share decreasing by 0.7ppt to 19.0%, in line with Q1 2014.
- Group Turnover decreased by £9.6m (7.3%) to £120.7m and by 3.8% YTD following a stronger Q1 performance.
- ATP is up 3p (0.5%) YTD but down 3p (0.6%) for Q2 2014.
- SPP is up by 4p (1.6%) in Q2 2014 and by 6p (2.9%) YTD reflecting the continuance of pricing initiatives across all territories.
- YTD Consolidated EBITDA decreased by £3.4m (6.3%) to £50.3m driven by lower revenue.
- Following acquisition of the outstanding minority interests in CinemaxX AG and its conversion to CinemaxX Holdings GmbH, companies in the CinemaxX Group became guarantors to the Indenture on 7 May 2014, providing additional security to the bond holders.

OPERATIONAL AND FINANCIAL REVIEW

Markets

Market admissions for Q2 were down in both UK (7.3%) and Germany (4.1%) due to weaker slate and good weather in Germany. Poland market admissions were up 10.0% despite good weather through the period. Market GBOR was down 5.6% and 3.7% for UK and Germany respectively in line with admissions. Poland GBOR was behind admissions growth at 5.7% with a reduction in market ATP being primarily driven by a higher share of lower priced operators.

On a YTD basis market admissions were down in the UK (3.6%) and Germany (1.6%). Poland market admissions were up 11.6%. Market GBOR was down in both the UK (1.5%) and Germany (0.6%). Market GBOR in Poland grew by 9.7% YTD.

Turnover

| £m | Q2 | | | YTD | | |
|------------------------------|-------|-------|----------|-------|-------|----------|
| | 2014 | 2013 | % change | 2014 | 2013 | % change |
| Total turnover | 120.7 | 130.3 | (7.3%) | 285.9 | 297.2 | (3.8%) |
| <i>Operational data</i> | | | | | | |
| Admissions (m) | 12.9 | 14.1 | (8.4%) | 30.7 | 32.5 | (5.5%) |
| ATP (£) | 6.11 | 6.14 | (0.6%) | 6.14 | 6.11 | 0.5% |
| SPP (£) | 2.10 | 2.06 | 1.6% | 2.04 | 1.98 | 2.9% |
| Total revenue per person (£) | 9.36 | 9.25 | 1.2% | 9.30 | 9.14 | 1.7% |
| Number of screens | 1,368 | 1,318 | 3.8% | 1,368 | 1,318 | 3.8% |

Group Turnover decreased by £9.6m (7.3%) to £120.7m as a result of admissions down by 8.4% compared to Q2 2013, partially offset by 1.2% higher revenue growth per person.

- All markets experienced ATP increases in local currency in Q2 2014, however in GBP ATP was down 3p (0.6%) for Q2 2014 but up 3p (0.5%) YTD.
- SPP is up by 4p (1.6%) in Q2 2014 and by 6p (2.9%) YTD reflecting the continuance of pricing initiatives across all territories.

The 1.2% improvement in total revenue per person in Q2 2014 delivered a £1.4m increase in turnover; partially offsetting the reduction from admissions which were 1.2m (8.4%) below prior year.

Q2 2014 GBOR market share of 19.0% was down by 0.7ppt on Q2 2013 (the same decrease as Q1 2014) due to:

- Outperformance of the market by Vue in Q2 2013 across high grossing titles *Iron Man 3*, *The Croods* and *Star Trek Into Darkness* versus a less favourable, lower grossing slate in Q2 2014;
- The termination of the lease at one site in Germany in August 2013;
- Limited number of UK sites impacted by competitor site openings;
- Growth in the Polish market due to new site openings by competitors.

Total screens increased by 50 on a net basis in the 12 months from the end of Q2 2013 due to the opening of seven new sites (four in the UK and three in Poland), the addition of five screens at existing cinemas, net of the disposal of one site in Germany.

Cost of Sales

| £m | Q2 | | | YTD | | |
|---------------------|-----------|--------|----------|-----------|---------|----------|
| | Pro Forma | | | Pro Forma | | |
| | 2014 | 2013 | % change | 2014 | 2013 | % change |
| Total cost of sales | (45.2) | (48.9) | 7.6% | (108.1) | (114.1) | 5.2% |

Cost of sales decreased by £3.7m (7.6%), to £45.2m in the quarter ended 29 May 2014 driven by lower admissions. On a YTD basis cost of sales fell by 5.2% to £108.1m, again reflecting reduced admissions combined with a small improvement in film rental costs.

Administrative Expenses (excluding rent)

| £m | Q2 | | | YTD | | |
|---|-----------|--------|----------|-----------|--------|----------|
| | Pro Forma | | | Pro Forma | | |
| | 2014 | 2013 | % change | 2014 | 2013 | % change |
| Total administrative expenses (excluding rent) ⁽¹⁾ | (35.3) | (38.9) | 9.2% | (76.5) | (78.8) | 2.9% |

Excluding the impact of the Pro Forma savings, administrative expenses decreased £1.1m (2.8%) to £37.8m due to lower staff costs.

Rentals under Operating Leases on Land and Buildings

| £m | Q2 | | | YTD | | |
|--|-----------|--------|----------|-----------|--------|----------|
| | Pro Forma | | | Pro Forma | | |
| | 2014 | 2013 | % change | 2014 | 2013 | % change |
| Rentals under operating leases on land and buildings | (25.4) | (25.1) | (0.9%) | (51.0) | (50.7) | (0.6%) |

Quarter on quarter operating leases rentals on land and buildings increased by £0.3m (0.9%) to £25.4m. On a YTD basis the increase was £0.3m (0.6%), primarily due to rent reviews in existing sites and the opening of new sites, mitigated by reduced turnover rent and site disposals.

Consolidated EBITDA

| £m | Q2 | | | YTD | | |
|------------------------------------|-----------|------|----------|-----------|------|----------|
| | Pro Forma | | | Pro Forma | | |
| | 2014 | 2013 | % change | 2014 | 2013 | % change |
| Consolidated EBITDA ⁽¹⁾ | 14.9 | 17.4 | (14.4%) | 50.3 | 53.7 | (6.3%) |

Consolidated EBITDA was down £2.5m (14.4%) to £14.9m quarter on quarter and £3.4m (6.3%) to £50.3m YTD. Lower revenue and continuing reduced leverage in the fixed cost base have only been partially offset by improved gross margins on a quarterly and YTD basis. Consolidated EBITDA margin of 12.3%, was down 1.0ppt on Q2 2013, and 0.5ppt YTD.

⁽¹⁾The board of directors of the Company has made the strategic decision to purchase certain digital equipment related to 3D Films. This decision will result in significant savings in costs and an associated increase in EBITDA. The Company currently has license arrangements on rolling 5 year terms and where such licenses have terminated or will terminate within the next 24 months the Company has added back the associated cost savings in arriving at Consolidated EBITDA. At 29 May 2014 the increase in Consolidated EBITDA as a result of this adjustment is £2.4m. As a consequence of this strategic decision we estimate that we will incur capital expenditure of £2.6m in respect of the licenses which expire over the next 24 months. Such capital equipment might result in maintenance costs but this is considered to be immaterial.

Capital Expenditures

| £m | Q2 | | | YTD | | |
|---|-----------|-------|----------|-----------|--------|----------|
| | Pro Forma | | | Pro Forma | | |
| | 2014 | 2013 | % change | 2014 | 2013 | % change |
| Total capital expenditure (net of Landlords Contribution) | (5.2) | (6.3) | 17.6% | (13.6) | (15.7) | 13.0% |

In the quarter to 29 May 2014 total capital expenditure decreased by £1.1m (17.6%), to £5.2m. The reduction is primarily attributable to spending in the UK on the Bicester, Glasgow Fort and Cramlington sites in Q2 2013 being greater than that in Q2 2014 on the new Polish sites at Katowice and Olsztyn. No new sites opened in Q2 2014.

Capex spend is down £2.1m (13.0%) YTD primarily due to higher spending on Hannover-Raschplatz in Q1 2013.

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 unaudited interim condensed consolidated financial statements contained within this report.

As at 29 May 2014, Bidco's total third party borrowings were £531.7m (net of unamortised debt issuance costs of £14.0m), of which the Notes represent £535.9m, other loans represent £5.9m and drawings on the revolving credit facility represent £3.9m.

As at 29 May 2014 Bidco had unrestricted cash and cash equivalents of £13.9m comprising £55.3m in cash and cash equivalents on hand net of

- a) £37.1m to repay cash and interest relating to the OMERS/ AIMCo Bridge Loan, and
- b) £4.2m of restricted cash relating to rental deposits.

RECENT DEVELOPMENTS

Managing Director – UK & Ireland

Kevin Styles, formerly CEO of American Golf in the UK, Best Buy and Trade Depot (part of the Kingfisher Group) has been appointed as Vue Managing Director for the UK & Ireland business. Kevin started at Vue on Tuesday 22nd July 2014.

CinemaxX Squeeze Out

Following acquisition of the outstanding minority interests in CinemaxX AG and its conversion to CinemaxX Holdings GmbH, companies in the CinemaxX Group became guarantors to the Indenture on 7 May 2014, providing additional security to the bond holders.

Club Lloyds Ticket Deal in the UK

This is the largest single company ticket deal agreed in our industry, as explained on the Q1 2014 call in April. Account sign up levels are in line with the expectations of Vue and Lloyds Bank and we have now started to see the visits from Club Lloyds customers in our cinemas.

Energy Saving Projects

In Germany LED lighting is complete and HVAC controls upgrades to 5 sites are due to start in August 2014. In the UK HVAC controls upgrades have been completed at 40 cinemas with a further 8 programmed before the end of November 2014.

VIP Seats

Trial sites are now installed in Poland and Germany. Current results would indicate a full roll out across the Group in 2015.

Ongoing Revenue Enhancing Capital Expenditure Projects

In the UK, Doncaster's sloped floor 7 screen multiplex is being converted to a state of the art 11 screen stadium seated multiplex. The cinema landlord is adding two family restaurants, Nandos and Pizza Express, as part of the re-development.

Work has started on the additional 4 screens with 347 seats at our flagship site in central Copenhagen, Denmark.

In Germany, work is due to start this summer at the Raschplatz Hannover cinema on the upgrade to the existing retail stands.

OUTLOOK

The top grossing titles in the UK for June 2014 were *22 Jump Street* (£15.9m), *Maleficent* (£14.1m) and *X-Men: Days of Future Past* (£10.8m).

The top grossing titles in Germany for June 2014 were *Maleficent* (€7.4m), *The Fault In Our Stars* (€4.2m) and *X-Men: Days Of Future Past* (€4.1m).

The top grossing titles in Poland for June 2014 are expected to be *How To Train Your Dragon 2* (c. zł9.3m), *Maleficent* (c. zł5.8m) and *Transformers: Age of Extinction* (c. zł3.6m) all released in 3D.

Key releases for July and August in all Vue major territories include *Transformers: Age of Extinction*, *Dawn of The Planet of The Apes*, *How To Train Your Dragon 2* and the sequel to the highly successful *Inbetweeners* Movie.

RISK FACTORS

There have been no material changes to the risk factors disclosed in the Offering Memorandum, other than the following:

- As the Vue Acquisition and the Multikino Acquisition have both completed, the “Risks Relating to the Transactions” section is no longer applicable.

CONFERENCE CALL

There will be a conference call for investors at 2.00pm on 23 July 2014. The dial-in number is **+44 (0) 20 3003 2666** (Standard International Access) or 0808 109 0700 (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 (1 866 966 5335), France (0805 630061) and Germany (0800 673 7932).

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, Access Pin 5587522#.

Vougeot Bidco plc Pro Forma Consolidated Profit and Loss Account (unaudited)
For the period ended 29 May 2014¹

| | Bidco For the 13 weeks ended 29 May 2014 | Bidco For the 13 weeks ended 30 May 2013 | Bidco For the 26 weeks ended 29 May 2014 | Bidco For the 26 weeks ended 30 May 2013 |
|--|---|---|---|---|
| £m (unaudited) | Pro Forma | | | |
| Turnover | 120.7 | 130.3 | 285.9 | 297.2 |
| Cost of sales | (45.2) | (48.9) | (108.1) | (114.1) |
| | 75.6 | 81.4 | 177.8 | 183.1 |
| Administration expenses (as per management) | (35.3) | (38.9) | (76.5) | (78.8) |
| Rentals under operating leases on land and buildings | (25.4) | (25.1) | (51.0) | (50.7) |
| Consolidated EBITDA | 14.9 | 17.4 | 50.3 | 53.7 |
| Non-cash/ non-recurring items | (0.8) | (1.0) | 2.3 | (2.8) |
| Depreciation | (10.1) | (10.3) | (20.3) | (21.0) |
| Amortisation | (9.2) | (8.6) | (18.6) | (17.3) |
| Impairment | - | (6.5) | - | (6.5) |
| Group operating profit/(loss) | (5.1) | (9.1) | 13.7 | 6.0 |
| Turnover | 120.7 | 130.3 | 285.9 | 297.2 |
| Cost of sales | (45.2) | (48.9) | (108.1) | (114.1) |
| | 75.6 | 81.4 | 177.8 | 183.1 |
| Administration expenses | (80.7) | (90.5) | (164.1) | (177.1) |
| Group operating profit/(loss) | (5.1) | (9.1) | 13.7 | 6.0 |
| Depreciation | 10.1 | 10.3 | 20.3 | 21.0 |
| Amortisation | 9.2 | 8.6 | 18.6 | 17.3 |
| Impairment | - | 6.5 | - | 6.5 |
| EBITDA | 14.1 | 16.4 | 52.6 | 50.8 |
| Non-cash/ non-recurring items | 0.8 | 1.0 | (2.3) | 2.8 |
| Consolidated EBITDA | 14.9 | 17.4 | 50.3 | 53.7 |
| Rentals under operating leases on land and buildings | 25.4 | 25.1 | 51.0 | 50.7 |
| Consolidated EBITDAR | 40.3 | 42.6 | 101.2 | 104.3 |
| Administration expenses (as per management) | (35.3) | (38.9) | (76.5) | (78.8) |
| Rentals under operating leases on land and buildings | (25.4) | (25.1) | (51.0) | (50.7) |
| Depreciation | (10.1) | (10.3) | (20.3) | (21.0) |
| Amortisation | (9.2) | (8.6) | (18.6) | (17.3) |
| Impairment | - | (6.5) | - | (6.5) |
| Non-cash/ non-recurring items | (0.8) | (1.0) | 2.3 | (2.8) |
| Administration expenses | (80.7) | (90.5) | (164.1) | (177.1) |

¹ For basis of preparation of Pro Forma financial information, refer to page 2 of this report, Presentation of Financial Data.

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

For the period ended 29 May 2014¹

| | Bidco For the 13 weeks ended 29 May 2014 | Bidco For the 13 weeks ended 30 May 2013 | Bidco For the 26 weeks ended 29 May 2014 | Bidco For the 26 weeks ended 30 May 2013 |
|--|---|---|---|---|
| £m (unaudited) | As Acquired | | | |
| Turnover | 120.7 | - | 285.9 | - |
| Cost of sales | (45.2) | - | (108.1) | - |
| | 75.5 | - | 177.8 | - |
| Administration expenses (as per management) | (35.3) | - | (76.5) | - |
| Rentals under operating leases on land and buildings | (25.4) | - | (51.0) | - |
| Consolidated EBITDA | 14.9 | - | 50.3 | - |
| Non-cash/ non-recurring items | (0.8) | - | 2.3 | - |
| Depreciation | (10.1) | - | (20.3) | - |
| Amortisation | (9.2) | - | (18.6) | - |
| Impairment | - | - | - | - |
| Group operating profit/(loss) | (5.2) | - | 13.7 | - |
| Interest receivable and other income | - | - | 0.1 | - |
| Interest payable and similar charges | (24.9) | - | (49.2) | - |
| Profit/ (loss) on ordinary activities before taxation | (30.1) | - | (35.4) | - |
| Tax charge on profit/ (loss) of ordinary activities | (0.8) | - | (3.5) | - |
| Profit/ (loss) on ordinary activities after taxation | (30.9) | - | (38.9) | - |
| Minority interests | - | - | (0.3) | - |
| Profit/ (loss) for the financial period | (30.9) | - | (39.2) | - |
| Gross margin | 62.6% | n/a | 62.2% | n/a |
| Consolidated EBITDA margin | 12.3% | n/a | 17.6% | n/a |
| Turnover | 120.7 | - | 285.9 | - |
| Cost of sales | (45.2) | - | (108.1) | - |
| | 75.6 | - | 177.8 | - |
| Administration expenses | (80.7) | - | (164.1) | - |
| Group operating profit/(loss) | (5.1) | - | 13.7 | - |
| Depreciation | 10.1 | - | 20.3 | - |
| Amortisation | 9.2 | - | 18.6 | - |
| Impairment | - | - | - | - |
| EBITDA | 14.1 | - | 52.6 | - |
| Non-cash/ non-recurring items | 0.8 | - | (2.3) | - |
| Consolidated EBITDA | 14.9 | - | 50.3 | - |
| Rentals under operating leases on land and buildings | 25.4 | - | 51.0 | - |
| Consolidated EBITDAR | 40.3 | - | 101.2 | - |
| Administration expenses (as per management) | (35.3) | - | (76.5) | - |
| Rentals under operating leases on land and buildings | (25.4) | - | (51.0) | - |
| Depreciation | (10.1) | - | (20.3) | - |
| Amortisation | (9.2) | - | (18.6) | - |
| Impairment | - | - | - | - |
| Non-cash/ non-recurring items | (0.8) | - | 2.3 | - |
| Administration expenses | (80.7) | - | (164.1) | - |

¹ UK GAAP. For the period from 29 November 2013 to 29 May 2014.

Supplemental Information

Reconciliation of Bidco As Acquired to Vougeot Bidco plc Interim Condensed Consolidated Profit and Loss Account (unaudited) For the period ended 29 May 2014

| | Bond reporting For the 13 weeks ended 29 May 2014 | Adjs ⁽¹⁾ | Statutory reporting For the 13 weeks ended 29 May 2014 | Bond reporting For the 26 weeks ended 29 May 2014 | Adjs ⁽¹⁾ | Statutory reporting For the 26 weeks ended 29 May 2014 |
|--|--|---------------------|---|--|---------------------|---|
| £m (unaudited) | As Acquired | | | | | |
| Turnover | 120.7 | 0.2 | 120.9 | 285.9 | 1.1 | 287.0 |
| Cost of sales | (45.2) | - | (45.2) | (108.1) | - | (108.1) |
| | 75.6 | 0.2 | 75.7 | 177.8 | 1.1 | 178.9 |
| Administration expenses (as per management) | (35.3) | (0.9) | (36.2) | (76.5) | 1.2 | (75.3) |
| Operating lease rentals - land and buildings | (25.4) | - | (25.4) | (51.0) | - | (51.0) |
| Consolidated EBITDA | 14.9 | (0.8) | 14.1 | 50.3 | 2.3 | 52.6 |
| Non-cash/ non-recurring Items | (0.8) | 0.8 | - | 2.3 | (2.3) | - |
| Depreciation | (10.1) | - | (10.1) | (20.3) | - | (20.3) |
| Amortisation | (9.2) | - | (9.2) | (18.6) | - | (18.6) |
| Impairment | - | - | - | - | - | - |
| Group operating profit/(loss) | (5.1) | - | (5.1) | 13.7 | - | 13.7 |
| Gross margin | 62.6% | 100.0% | 62.6% | 62.2% | 100.0% | 62.3% |
| Consolidated EBITDA margin | 12.3% | (497.3%) | 11.7% | 17.6% | 211.6% | 18.3% |
| Turnover | 120.7 | 0.2 | 120.9 | 285.9 | 1.1 | 287.0 |
| Cost of sales | (45.2) | - | (45.2) | (108.1) | - | (108.1) |
| | 75.6 | 0.2 | 75.7 | 177.8 | 1.1 | 178.9 |
| Administration expenses | (80.7) | (0.2) | (80.9) | (164.1) | (1.1) | (165.2) |
| Group operating profit/(loss) | (5.1) | - | (5.1) | 13.7 | - | 13.7 |
| Depreciation | 10.1 | - | 10.1 | 20.3 | - | 20.3 |
| Amortisation | 9.2 | - | 9.2 | 18.6 | - | 18.6 |
| Impairment | - | - | - | - | - | - |
| EBITDA | 14.1 | - | 14.1 | 52.6 | - | 52.6 |
| Non-cash/ non-recurring Items | 0.8 | (0.8) | - | (2.3) | 2.3 | - |
| Consolidated EBITDA | 14.9 | (0.8) | 14.1 | 50.3 | 2.3 | 52.6 |
| Operating lease rentals - land and buildings | 25.4 | - | 25.4 | 51.0 | - | 51.0 |
| Consolidated EBITDAR | 40.3 | (0.8) | 39.5 | 101.2 | 2.3 | 103.5 |
| Administration expenses (as per management) | (35.3) | (0.9) | (36.2) | (76.5) | 1.2 | (75.3) |
| Operating lease rentals - land and buildings | (25.4) | - | (25.4) | (51.0) | - | (51.0) |
| Depreciation | (10.1) | - | (10.1) | (20.3) | - | (20.3) |
| Amortisation | (9.2) | - | (9.2) | (18.6) | - | (18.6) |
| Impairment | - | - | - | - | - | - |
| Non-cash/ non-recurring Items | (0.8) | 0.8 | - | 2.3 | (2.3) | - |
| Administration expenses | (80.7) | (0.2) | (80.9) | (164.1) | (1.1) | (165.2) |

¹ Adjustments and reclassifications

Vougeot Bidco plc

Interim Condensed Consolidated Profit and Loss Account (unaudited) for the period ended 29 May 2014

| | 13 weeks ended 29 May 2014 £'000 | 26 Weeks ended 29 May 2014 £'000 |
|--|--|--|
| Turnover | 120,898 | 286,972 |
| Cost of sales | (45,158) | (108,117) |
| Gross profit | 75,740 | 178,855 |
| Administrative expenses | (80,872) | (165,174) |
| Group operating (loss)/profit | (5,132) | 13,681 |
| Interest receivable and similar income | 20 | 147 |
| Interest payable and similar charges | (24,923) | (49,246) |
| Loss on ordinary activities before taxation | (30,035) | (35,418) |
| Tax on loss on ordinary activities | (796) | (3,453) |
| Loss on ordinary activities after taxation | (30,831) | (38,871) |
| Minority interests | (43) | (327) |
| Loss for the financial period | (30,874) | (39,198) |

All turnover and operating profit arose from continuing operations.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical cost equivalents.

Vougeot Bidco plc

Interim Condensed Consolidated Balance Sheet (unaudited) as at 29 May 2014

| | Notes | As at 29 May 2014 £'000 |
|--|-------|----------------------------------|
| Fixed assets | | |
| Intangible assets | 2 | 706,529 |
| Tangible assets | 3 | 345,190 |
| Investment in associate | | 114 |
| | | 1,051,833 |
| Current assets | | |
| Stock | | 2,458 |
| Debtors: amounts falling due within one year | | 37,633 |
| Debtors: amounts falling due after more than one year | | 24,872 |
| Cash at bank and in hand | 4 | 55,260 |
| | | 120,223 |
| Creditors: amounts falling due within one year | | |
| Loans (net of unamortised issue costs) | 5 | (38,794) |
| Other creditors | 6 | (107,416) |
| | | (146,210) |
| Net current liabilities | | |
| | | (25,987) |
| Total assets less current liabilities | | |
| | | 1,025,846 |
| Creditors: amounts falling due after more than one year | | |
| Loans (net of unamortised issue costs) | 5 | 995,554 |
| Other creditors | 7 | 50,819 |
| Provision for liabilities | 8 | 40,022 |
| Capital and reserves | | |
| Called up share capital | | 4,718 |
| Profit and loss account | | (64,167) |
| Total shareholders' deficit | | |
| | | (59,449) |
| Minority interests | | (1,100) |
| Capital employed | | |
| | | 1,025,846 |

Vougeot Bidco plc

Interim Condensed Consolidated Cash Flow Statement (unaudited) for the period ended 29 May 2014

| | Notes | 13 weeks ended 29 May 2014 £'000 | 26 Weeks ended 29 May 2014 £'000 |
|--|-------|--|--|
| Operating activities | | | |
| Net cash inflow from operating activities | 10 | 11,557 | 41,921 |
| Return on investments and servicing of finance | | | |
| Interest received | | 20 | 147 |
| Interest paid | | (4,384) | (21,516) |
| Net cash outflow from returns on investments and servicing of finance | | (4,364) | (21,369) |
| Taxation paid | | (1,058) | (1,425) |
| Cash outflow for capital expenditure and other financial investments | | | |
| Payments to acquire tangible assets | | (6,190) | (15,451) |
| Landlord contributions received | | 1,002 | 1,828 |
| Acquisitions | | (268) | (5,167) |
| Net cash outflow from capital expenditure and other financial investments | | (5,456) | (18,790) |
| Net cash inflow before financing activities | | 679 | 337 |
| Financing activities | | | |
| Senior secured notes and revolving credit facility (repaid)/ received | | (13,041) | 1,958 |
| Repayment of other loans | | (599) | (1,006) |
| Dividends paid to Minority Interests | | (103) | (103) |
| Net cash (outflow)/inflow from financing activities | | (13,743) | 849 |
| (Decrease)/Increase in cash | 9 | (13,064) | 1,186 |

Vougeot Bidco plc

Interim Condensed Consolidated Statement of Total Recognised Gains and Losses (unaudited) for the period ended 29 May 2014

| | 13 Weeks ended 29 May 2014 £'000 | 26 Weeks ended 29 May 2014 £'000 |
|---|--|--|
| Loss for the financial period | (30,874) | (39,198) |
| Foreign exchange movement | (1,199) | (2,841) |
| Total recognised losses relating to the financial period | (32,073) | (42,039) |

Interim Condensed Consolidated Statement of Shareholders' Deficit (unaudited) for the period ended 29 May 2014

| | Share Capital £'000 | Profit and Loss Account £'000 | Total Shareholders' Deficit £'000 |
|--|---------------------------|-------------------------------------|--|
| Balance as at 28 November 2013 | 4,718 | (22,128) | (17,410) |
| Loss for the financial period | - | (39,198) | (39,198) |
| Foreign exchange movement | - | (2,841) | (2,841) |
| Net reduction for the period | - | (42,039) | (42,039) |
| Closing balance as at 29 May 2014 | 4,718 | (64,167) | (59,449) |

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 29 May 2014

1 Basis of preparation

The accompanying 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 in accordance with applicable accounting standards in the United Kingdom ("UK GAAP"). The accounting policies adopted are consistent with those applied in the audited annual report and consolidated financial statements of Vougeot Bidco plc for the period to 28 November 2013. The directors have prepared these financial statements for the purposes of reporting in connection with the secured fixed sterling and floating euro rate notes.

There are no comparative results presented for the prior period as the Group only commenced trading activity from 8 August 2013.

2 Intangible Fixed Assets - Goodwill

| | £'000 |
|--------------------------------------|-----------------|
| Cost | |
| At 28 November 2013 | 734,548 |
| Additions | 1,656 |
| Foreign exchange movement | (342) |
| At 29 May 2014 | 735,862 |
| Accumulated amortisation | |
| At 28 November 2013 | (10,856) |
| Charged for the period | (18,564) |
| Foreign exchange movement | 87 |
| At 29 May 2014 | (29,333) |
| Net book value at 29 May 2014 | 706,529 |
| Net book value at 28 November 2013 | 723,692 |

Goodwill additions in the period relate to the purchase of the remaining 2.52% of the shares in CinemaxX Holdings GmbH ("CinemaxX" formerly CinemaxX AG) that were not previously owned by the Group. The purchase was made by Vue Beteiligungs GmbH, a subsidiary of the Group, for an amount of €5,967k. Following acquisition of the outstanding minority interests in CinemaxX AG and its conversion to CinemaxX Holdings GmbH, companies in the CinemaxX Group became guarantors to the Indenture on 7 May 2014.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 29 May 2014 (continued)

3 Tangible Fixed Assets

| | £'000 |
|--------------------------------------|----------------|
| Net book value at 28 November 2013 | 356,271 |
| Additions | 10,741 |
| Depreciation | (20,327) |
| Foreign exchange movement | (1,495) |
| Net book value at 29 May 2014 | 345,190 |

The additions for the period include an amount of £3.6m of capital expenditure accrued as at 29 May 2014 relating to expenditure on new sites and other projects.

4 Cash at bank and in hand

| | As at 29 May 2014 £'000 |
|---------------------------------------|----------------------------------|
| Cash - unrestricted | 51,071 |
| Cash - restricted | 4,189 |
| Total Cash at bank and in hand | 55,260 |

Restricted cash includes £4,189k of rental deposits held in relation to some of the Group's cinema sites.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 29 May 2014 (continued)

5 Loan Capital and Borrowings

| | As at 29 May 2014 £'000 |
|--|----------------------------------|
| Revolving Facility | 3,934 |
| Capitalised Issue Costs | (2,272) |
| Shareholder Loans | 37,132 |
| Loans: amounts falling due within one year | 38,794 |
| <hr/> | |
| Euro Bond - Floating | 235,907 |
| Sterling Bond - Fixed | 300,000 |
| Capitalised Issue Costs | (11,752) |
| External Loans | 400 |
| Shareholder Loans | 470,999 |
| Loans: amounts falling after more than one year | 995,554 |
| <hr/> | |
| Total Loans | 1,034,348 |

Senior Secured Notes

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

Senior secured floating rate Euro denominated notes of €290m have a termination date of 15 July 2020. Interest is floating at three month EURIBOR plus a margin of 5.25%. Interest is payable on a quarterly basis.

Revolving Credit Facility

The Group is able to draw down on a £50m multicurrency revolving credit and overdraft facility with Lloyds Bank plc. At 29 May 2014, the facility was £3,934k drawn down. 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%.

Swap Contracts

On 8 August 2013 the Company entered into two swaps with Lloyds Bank plc (Lloyds) and Nomura Bank International plc (Nomura). Both swaps have a notional value of €115.9m and a termination date of 15 July 2016. Under the Lloyds swap the Group pays a fixed interest rate of 1.147%. Under the Nomura swap the Group pays a fixed interest rate of 1.027%.

Capitalised Issue Costs

Costs incurred in issuing the senior secured notes and the revolving credit and overdraft facility totalled £15.8m. The costs are capitalised and are allocated to the profit and loss account over the terms of the related debt facility. At 29 May 2014, borrowings are stated net of unamortised issue costs of £14.0m.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 29 May 2014 (continued)

5 Loan Capital and Borrowings (continued)

Security

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

Shareholder loans due within one year

Shareholder loans due within one year relate to the German Trapped Cash Equity Bridge loan. The loan bears interest of 11.0% per annum and has a termination date of 9 August 2033. The loan can be repaid earlier than that date if the remaining shares in CinemaxX not owned by the Group have been acquired, subject to a maximum payment of £38.0m for principal and accrued interest in total. On 11 February 2014, the remaining shares in CinemaxX were acquired and therefore the loan has been classified as due within one year. At 29 May 2014, accrued interest totalled £3.0m.

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. All interest is capitalised on an annual basis to increase the value of the loan. At 29 May 2014, accrued interest totalled £38.0m.

6 Creditors: Amounts Falling Due Within One Year

| | As at 29 May 2014 £'000 |
|--|--|
| Trade creditors | 24,155 |
| Other tax and social security | 1,100 |
| Other creditors | 3,381 |
| Group relief payable | 112 |
| Finance leases | 1,364 |
| Accruals | 51,258 |
| Corporation tax payable | 2,979 |
| Deferred income | 23,067 |
| | 107,416 |
| Loans (net of unamortised issue costs) | 38,794 |
| Loans | 38,794 |
| | 146,210 |

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 29 May 2014 (continued)

7 Creditors: Amounts Falling Due After More Than One Year

| | As at 29 May 2014 £'000 |
|--|----------------------------------|
| Deferred income | 45,777 |
| Other creditors | 1,220 |
| Finance leases | 3,822 |
| | 50,819 |
| Loans (net of unamortised issue costs) | 995,554 |
| Loans | 995,554 |
| | 1,046,373 |

8 Provision for Liabilities

| | As at 29 May 2014 £'000 |
|--|----------------------------------|
| Provision at beginning of period | 41,118 |
| Charge to the profit and loss account | 819 |
| Utilised during the period | (3,320) |
| Unwinding of discount factor on onerous leases | 1,618 |
| Foreign exchange movement | (213) |
| Provision at the end of the period | 40,022 |

9 Analysis of Changes in Net Debt

| | As at 28 November 2013 £'000 | Cash flow £'000 | Non cash movement £'000 | Foreign exchange £'000 | As at 29 May 2014 £'000 |
|-------------------------------------|---------------------------------------|--------------------|-------------------------------|------------------------------|----------------------------------|
| Cash in hand and at bank | 55,491 | 1,186 | - | (1,417) | 55,260 |
| Other loans | (6,661) | 1,006 | - | 69 | (5,586) |
| Shareholders loans | (482,167) | - | (25,941) | - | (508,108) |
| Revolving Credit Facility borrowing | (1,983) | (1,958) | - | 7 | (3,934) |
| Senior Secured notes | (526,574) | - | (767) | 5,458 | (521,883) |
| | (961,894) | 234 | (26,708) | 4,117 | (984,251) |

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 29 May 2014 (continued)

10 Reconciliation of Operating Profit to Net Cash Inflow

| | 13 weeks ended 29 May 2014 £'000 | 26 Weeks ended 29 May 2014 £'000 |
|--------------------------------|---|---|
| Operating (loss)/profit | (5,132) | 13,681 |
| Depreciation of fixed assets | 10,080 | 20,327 |
| Amortisation of goodwill | 9,195 | 18,564 |
| Non cash operating items | (4,564) | (9,045) |
| Decrease in stock | 306 | 268 |
| Decrease in debtors | 3,773 | 1,916 |
| Decrease in creditors | (2,101) | (3,790) |
| Net cash inflow | 11,557 | 41,921 |

11 Taxation

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

12 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 28 November 2013, a copy of which is available on the group website <http://corporate.myvue.com/home/investor-relations>.