

**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")**

**Q1 2014 - PERIOD ENDED 27 FEBRUARY 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 27 February 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 AG (“CinemaxX”) 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 and (iii) the Financing (as defined in the Offering Memorandum), and the application of the proceeds therefrom. 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	Q1			YTD		
	Pro Forma			Pro Forma		
	2014	2013	% change	2014	2013	% change
Turnover	165.1	166.9	(1.1%)	165.1	166.9	(1.1%)
Consolidated EBITDA	35.4	36.2	(2.4%)	35.4	36.2	(2.4%)
Capital expenditure	(8.4)	(10.6)	20.2%	(8.4)	(10.6)	20.2%
Admissions (m)	17.8	18.4	(3.2%)	17.8	18.4	(3.2%)
Number of screens	1,368	1,316	4.0%	1,368	1,316	4.0%
Average ticket price ("ATP") (£)	6.16	6.08	1.3%	6.16	6.08	1.3%

*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 10.*

- Very successful quarter across all markets.
- Turnover of £165.1m is Vue's second most successful quarter ever (after Q1 2013 which was the highest).
- Turnover in Q1 2014 decreased £1.8m, 1.1% with increased ATP partially offsetting a reduction in admissions impacted by the disposal of five Apollo sites in early 2013 and one in Germany later in the year.
- Consolidated EBITDA for Q1 2014 of £35.4m was, consistent with Turnover, the second highest quarter ever and was only £0.8m, 2.4% below our record quarter.
- Majority of capital expenditure in Q1 2014 is due to new site development in the UK and Poland.

## OPERATIONAL AND FINANCIAL REVIEW

### Markets

Admissions in UK and Germany were largely flat in Q1 2014 (down 0.6% and up 0.5% respectively against Q1 2013) with Poland up 12.6% benefiting from a stronger slate including local content (Jack Strong and Pod Mocnym Aniolem). GBOR was up 1.8% in UK and 2.0% in Germany versus Q1 2013 with Poland up 12.3% in line with admissions.

Quarter on quarter Major Territories market admissions increased 1.4%. Major Territories market GBOR increased by £9.9 million, or 1.7%, quarter on quarter to £604.3 million.

## Turnover

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2014	2013	% change	2014	2013	% change
Total turnover	165.1	166.9	(1.1%)	165.1	166.9	(1.1%)
<i>Operational data</i>						
Admissions (m)	17.8	18.4	(3.2%)	17.8	18.4	(3.2%)
ATP (£)	6.16	6.08	1.3%	6.16	6.08	1.3%
Concession spend per person ("SPP") (£)	2.00	1.92	4.1%	2.00	1.92	4.1%
Total revenue per person (£)	9.25	9.05	2.2%	9.25	9.05	2.2%
Number of screens	1,368	1,316	4.0%	1,368	1,316	4.0%

Turnover for Q1 2014 of £165.1m was the second highest ever, only £1.8 million, 1.1% down on the record quarter, Q1 2013. Quarter on quarter increases in ATP and SPP of 1.3% and 4.1% partly offset the reduction in admissions compared to Q1 2013.

ATP and SPP both increased by 8p, quarter on quarter. These increases were due to continued targeted pricing initiatives across territories.

Vue Admissions decreased by 0.6 million, or 3.2% quarter on quarter. Market share of 19.2% was consistent with Q4 2013 but down by 0.7ppt on Q1 2013 share due to:

- the disposal of five Apollo sites in the UK and one in Germany (reduced admissions by 0.3 million in the quarter);
- a limited number of UK sites impacted by competition;
- a stronger performance by the independent sector in Q1 2014 as a result of the relative success of "Oscar/BAFTA" nominated films; and,
- Vue's outperformance of the market in Q1 2013 on high grossing films such as Django Unchained and Life of Pi.

Total screens increased by 52 on a net basis in the 12 months from the end of Q1 2013 due to the opening of seven new sites (four in the UK and three in Poland), the acquisition of one new site in Poland, and the addition of five screens at existing cinemas, net of the disposal of one Apollo site in the UK and one site in Germany.

## Cost of sales

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2014	2013	% change	2014	2013	% change
Total cost of sales	(63.0)	(65.2)	3.4%	(63.0)	(65.2)	3.4%

Quarter on quarter cost of sales decreased by £2.2 million, or 3.4%, to £63.0 million in the quarter ended 27 February 2014. This decrease was principally a result of reduced admissions combined with improved film rental margin. Gross margin increased 0.9ppt quarter on quarter to 61.9% in Q1 2014.

#### Administrative expenses (as per management) excluding rent

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2014	2013	% change	2014	2013	% change
Total administrative expenses (as per management) excluding rent	(41.2)	(39.9)	(3.2%)	(41.2)	(39.9)	(3.2%)

Quarter on quarter administrative expenses excluding rent increased by £1.3 million, or 3.2%, to £41.2 million with investment in new technology leases and new sites increasing property related costs.

#### Rentals under operating leases on land and buildings

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2014	2013	% change	2014	2013	% change
Rentals under operating leases on land and buildings	(25.6)	(25.5)	(0.3%)	(25.6)	(25.5)	(0.3%)

Quarter on quarter rentals under operating leases on land and buildings increased by £0.1 million, or 0.3%, to £25.6 million 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	Q1			YTD		
	Pro Forma			Pro Forma		
	2014	2013	% change	2014	2013	% change
Consolidated EBITDA	35.4	36.2	(2.4%)	35.4	36.2	(2.4%)

Consolidated EBITDA of £35.4m was the second highest quarter ever; only £0.8m, 2.4% lower than our record quarter. Improved gross margins partially offset lower revenue and reduced leverage in the fixed cost base with Consolidated EBITDA margin of 21.4% consistent as the second highest quarter, only 0.3ppt down on Q1 2013.

## Capital Expenditures

£m	Q1			YTD		
	Pro Forma			Pro Forma		
	2014	2013	% change	2014	2013	% change
Total capital expenditure (net of Landlords Contribution)	(8.4)	(10.6)	20.2%	(8.4)	(10.6)	20.2%

In the quarter to 27 February 2014 total capital expenditure decreased by £2.2 million, or 20.2%, to £8.4 million. The reduction is primarily attributable to the spending on the Hannover Raschplatz site in Q1 2013 being greater than that on the new Gateshead and Multikino Katowice sites in Q1 2014.

Two new sites opened in Q1 2014: Vue Gateshead (9 screens, 1,299 seats) and Multikino Katowice (10 screens, 1,476 seats) both in December 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 interim condensed consolidated financial statements contained within this report.

As at 27 February 2014, Bidco's total third party borrowings were £547.5 million (net of unamortised debt issuance costs of £14.2 million), of which the Notes represent £538.6 million, other loans represent £6.1 million and drawings on the revolving credit facility represent £17.0 million.

As at 27 February 2014 Bidco had unrestricted cash and cash equivalents of £28.4 million comprising £68.9 million in cash and cash equivalents on hand net of

- a) £36.2 million to repay cash and interest relating to the OMERS/ AIMCo Bridge Loan, and
- b) £4.3 million of restricted cash relating to rental deposits.

## **RECENT DEVELOPMENTS**

Vue has been chosen as the exclusive cinema partner for Lloyds Bank in what is the largest single company ticket deal ever agreed in our industry in the UK. This was a much sought after contract in the highly competitive Corporate Sales arena. An initial 'soft' launch of the new Lloyds Bank Current Account offer, which is called 'Club Lloyds', will be followed with an advertising campaign starting in Qtr 3 2014. [www.lloydsbank.com/current-accounts/club-lloyds.asp](http://www.lloydsbank.com/current-accounts/club-lloyds.asp)

We expect this partnership to help drive incremental admissions with the first tickets starting to affect cinemas in the early summer.

In the UK, Gateshead opened on 20 December 2013 with 9 screens (including one Xtreme Screen) and 1,299 seats. In Poland, Katowice opened on 20 December 2013 with 10 screens (including one Xtreme Screen) and 1,476 seats.

An investment in the Vista Voucher module and planned installation of barcode readers for all tills across the circuit will have additional benefits in future when it comes to tracking customer take-up and redemptions from future promotions and offers.

With respect to Vue's acquisition of CinemaxX, BaFin, the German regulatory authority, has confirmed that Vue has been released from any obligation to make a mandatory offer to acquire the outstanding shares previously held by minority shareholders. A convenience translation of the BaFin ruling together with the legally binding German language version is available on the Vue investor relations website.

## **OUTLOOK**

Key releases in Q2 2014 include The Amazing Spider-Man 2, Captain America: The Winter Soldier, X-Men: Days of Future Past and Godzilla although the latter is an unknown entity in terms of its box office appeal. The local films in Germany & Poland are expected to be solid performers with no break out hits in the line-up. March has seen record breaking temperatures in Poland.

Q2 2013 included strong franchise performers in Iron Man 3, Star Trek Into Darkness, Fast & Furious 6 and the final film in the Hangover series. These successful franchise films were supported by good performances from films such as The Croods, The Great Gatsby and Oblivion.

## **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 April 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 27 February 2014<sup>1</sup>**

	Bidco For the 13 weeks ended 27 February 2014	Bidco For the 13 weeks ended 28 February 2013	Bidco For the 13 weeks ended 27 February 2014	Bidco For the 13 weeks ended 28 February 2013
£m (unaudited)			<b>Pro forma</b>	
<b>Turnover</b>	<b>165.1</b>	<b>166.9</b>	<b>165.1</b>	<b>166.9</b>
Cost of sales	(63.0)	(65.2)	(63.0)	(65.2)
	102.2	101.7	102.2	101.7
Administration expenses (as per management)	(41.2)	(39.9)	(41.2)	(39.9)
Rentals under operating leases on land and buildings	(25.6)	(25.5)	(25.6)	(25.5)
<b>Consolidated EBITDA</b>	<b>35.4</b>	<b>36.2</b>	<b>35.4</b>	<b>36.2</b>
Non-cash/ non-recurring items	3.1	(1.8)	3.1	(1.8)
Depreciation	(10.2)	(10.6)	(10.2)	(10.6)
Amortisation	(9.4)	(8.6)	(9.4)	(8.6)
Impairment	-	-	-	-
<b>Group operating profit/(loss)</b>	<b>18.8</b>	<b>15.1</b>	<b>18.8</b>	<b>15.1</b>
<b>Turnover</b>	<b>165.1</b>	<b>166.9</b>	<b>165.1</b>	<b>166.9</b>
Cost of sales	(63.0)	(65.2)	(63.0)	(65.2)
	102.2	101.7	102.2	101.7
Administration expenses	(83.4)	(86.6)	(83.4)	(86.6)
<b>Group operating profit/(loss)</b>	<b>18.8</b>	<b>15.1</b>	<b>18.8</b>	<b>15.1</b>
Depreciation	10.2	10.6	10.2	10.6
Amortisation	9.4	8.6	9.4	8.6
Impairment	-	-	-	-
<b>EBITDA</b>	<b>38.4</b>	<b>34.4</b>	<b>38.4</b>	<b>34.4</b>
Non-cash/ non-recurring items	(3.1)	1.8	(3.1)	1.8
<b>Consolidated EBITDA</b>	<b>35.4</b>	<b>36.2</b>	<b>35.4</b>	<b>36.2</b>
Rentals under operating leases on land and buildings	25.6	25.5	25.6	25.5
<b>Consolidated EBITDAR</b>	<b>60.9</b>	<b>61.8</b>	<b>60.9</b>	<b>61.8</b>
Administration expenses (as per management)	(41.2)	(39.9)	(41.2)	(39.9)
Rentals under operating leases on land and buildings	(25.6)	(25.5)	(25.6)	(25.5)
Depreciation	(10.2)	(10.6)	(10.2)	(10.6)
Amortisation	(9.4)	(8.6)	(9.4)	(8.6)
Impairment	-	-	-	-
Non-cash/ non-recurring items	3.1	(1.8)	3.1	(1.8)
<b>Administration expenses</b>	<b>(83.4)</b>	<b>(86.6)</b>	<b>(83.4)</b>	<b>(86.6)</b>

<sup>1</sup>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, CinemaxX and Apollo, adjusted to give pro forma effect to (i) IFRS and Polish GAAP to UK GAAP differences, (ii) the VEIL acquisition and (iii) the Financing (as defined in the Offering Memorandum), and the application of the proceeds therefrom. The transactions are deemed to have occurred on 25 November 2011 for the purposes of the income statement.

**Vougeot Bidco plc Consolidated Quarterly Profit and Loss Account (unaudited) for the period ended 27 February 2014<sup>1</sup>**

	Bidco For the 13 weeks ended 27 February 2014	Bidco For the 13 weeks ended 28 February 2013	Bidco For the 13 weeks ended 27 February 2014	Bidco For the 13 weeks ended 28 February 2013
<b>As Acquired</b>				
<b>£m (unaudited)</b>				
<b>Turnover</b>	<b>165.1</b>	-	<b>165.1</b>	-
Cost of sales	(63.0)	-	(63.0)	-
	102.2	-	102.2	-
Administration expenses (as per management)	(41.2)	-	(41.2)	-
Rentals under operating leases on land and buildings	(25.6)	-	(25.6)	-
<b>Consolidated EBITDA</b>	<b>35.4</b>	-	<b>35.4</b>	-
Non-cash/ non-recurring items	3.1	-	3.1	-
Depreciation	(10.2)	-	(10.2)	-
Amortisation	(9.4)	-	(9.4)	-
Impairment	-	-	-	-
<b>Group operating profit/(loss)</b>	<b>18.8</b>	-	<b>18.8</b>	-
Interest receivable and other income	0.1	-	0.1	-
Interest payable and similar charges	(24.3)	-	(24.3)	-
<b>Profit/ (loss) on ordinary activities before taxation</b>	<b>(5.4)</b>	-	<b>(5.4)</b>	-
Tax charge on profit/ (loss) of ordinary activities	(2.7)	-	(2.7)	-
<b>Profit/ (loss) on ordinary activities after taxation</b>	<b>(8.0)</b>	-	<b>(8.0)</b>	-
Minority interests	(0.3)	-	(0.3)	-
<b>Profit/ (loss) for the financial period</b>	<b>(8.3)</b>	-	<b>(8.3)</b>	-
Gross margin	61.9%	n/a	61.9%	n/a
Consolidated EBITDA margin	21.4%	n/a	21.4%	n/a
<b>Turnover</b>	<b>165.1</b>	-	<b>165.1</b>	-
Cost of sales	(63.0)	-	(63.0)	-
	102.2	-	102.2	-
Administration expenses	(83.4)	-	(83.4)	-
<b>Group operating profit/(loss)</b>	<b>18.8</b>	-	<b>18.8</b>	-
Depreciation	10.2	-	10.2	-
Amortisation	9.4	-	9.4	-
Impairment	-	-	-	-
<b>EBITDA</b>	<b>38.4</b>	-	<b>38.4</b>	-
Non-cash/ non-recurring items	(3.1)	-	(3.1)	-
<b>Consolidated EBITDA</b>	<b>35.4</b>	-	<b>35.4</b>	-
Rentals under operating leases on land and buildings	25.6	-	25.6	-
<b>Consolidated EBITDAR</b>	<b>60.9</b>	-	<b>60.9</b>	-
Administration expenses (as per management)	(41.2)	-	(41.2)	-
Rentals under operating leases on land and buildings	(25.6)	-	(25.6)	-
Depreciation	(10.2)	-	(10.2)	-
Amortisation	(9.4)	-	(9.4)	-
Impairment	-	-	-	-
Non-cash/ non-recurring items	3.1	-	3.1	-
<b>Administration expenses</b>	<b>(83.4)</b>	-	<b>(83.4)</b>	-

<sup>1</sup> UK GAAP. For the period from 29 November 2013 to 27 February 2014.

## Supplemental Information

### Reconciliation of Bidco as Acquired to Vougeot Bidco plc Interim Condensed Consolidated Profit and Loss Account (unaudited) for the period ended 27 February 2014

£m (unaudited)	Bond reporting For the 13 w weeks ended 27 February 2014	Adjustments and Reclassifications	Statutory reporting For the 13 w weeks ended 27 February 2014
	<b>As Acquired</b>		
<b>Turnover</b>	<b>165.1</b>	<b>0.9</b>	<b>166.1</b>
Cost of sales	(63.0)	-	(63.0)
	102.2	0.9	103.1
Administration expenses (as per management)	(41.2)	(0.1)	(41.3)
Rentals under operating leases on land and buildings	(25.6)	2.2	(23.4)
<b>Consolidated EBITDA</b>	<b>35.4</b>	<b>3.1</b>	<b>38.4</b>
Non-cash/ non-recurring Items	3.1	(3.1)	-
Depreciation	(10.2)	-	(10.2)
Amortisation	(9.4)	-	(9.4)
Impairment	-	-	-
<b>Group operating profit/(loss)</b>	<b>18.8</b>	<b>0.0</b>	<b>18.8</b>
Interest receivable and other income	0.1	0.0	0.1
Interest payable and similar charges	(24.3)	(0.0)	(24.3)
<b>Profit/ (loss) on ordinary activities before taxation</b>	<b>(5.4)</b>	<b>(0.0)</b>	<b>(5.4)</b>
Tax charge on profit/ (loss) of ordinary activities	(2.7)	-	(2.7)
<b>Profit/ (loss) on ordinary activities after taxation</b>	<b>(8.0)</b>	<b>(0.0)</b>	<b>(8.1)</b>
Minority interests	(0.3)	(0.0)	(0.3)
<b>Profit/ (loss) for the financial period</b>	<b>(8.3)</b>	<b>(0.0)</b>	<b>(8.3)</b>
Gross margin	61.9%		62.1%
Consolidated EBITDA margin	21.4%		23.1%
<b>Turnover</b>	<b>165.1</b>	<b>0.9</b>	<b>166.1</b>
Cost of sales	(63.0)	-	(63.0)
	102.2	0.9	103.1
Administration expenses	(83.4)	(0.9)	(84.3)
<b>Group operating profit/(loss)</b>	<b>18.8</b>	<b>0.0</b>	<b>18.8</b>
Depreciation	10.2	-	10.2
Amortisation	9.4	-	9.4
Impairment	-	-	-
<b>EBITDA</b>	<b>38.4</b>	<b>0.0</b>	<b>38.4</b>
Non-cash/ non-recurring Items	(3.1)	3.1	-
<b>Consolidated EBITDA</b>	<b>35.4</b>	<b>3.1</b>	<b>38.4</b>
Rentals under operating leases on land and buildings	25.6	(2.2)	23.4
<b>Consolidated EBITDAR</b>	<b>60.9</b>	<b>0.9</b>	<b>61.8</b>
Administration expenses (as per management)	(41.2)	(0.1)	(41.3)
Rentals under operating leases on land and buildings <sup>(1)</sup>	(25.6)	2.2	(23.4)
Depreciation	(10.2)	-	(10.2)
Amortisation	(9.4)	-	(9.4)
Impairment	-	-	-
Non-cash/ non-recurring Items	3.1	(3.1)	-
<b>Administration expenses</b>	<b>(83.4)</b>	<b>(0.9)</b>	<b>(84.3)</b>

<sup>1</sup> Statutory includes benefits for onerous lease & landlord contribution which are excluded from management view of rent expense.

## Vougeot Bidco plc

### Interim Condensed Consolidated Profit and Loss Account (unaudited) for the thirteen weeks ended 27 February 2014

	<b>Thirteen weeks ended 27 February 2014 £'000</b>
<b>Turnover</b>	<b>166,075</b>
Cost of sales	<b>(62,959)</b>
<b>Gross profit</b>	<b>103,116</b>
Administrative expenses	<b>(84,302)</b>
<b>Operating profit</b>	<b>18,814</b>
Interest receivable and similar income	<b>127</b>
Interest payable and similar charges	<b>(24,323)</b>
<b>Loss on ordinary activities before taxation</b>	<b>(5,382)</b>
Tax on loss on ordinary activities	<b>(2,657)</b>
<b>Loss on ordinary activities after taxation</b>	<b>(8,039)</b>
Minority interests	<b>(284)</b>
<b>Loss for the financial period</b>	<b>(8,323)</b>

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 27 February 2014

	Notes	As at 27 February 2014 £'000
<b>Fixed assets</b>		
Intangible assets	2	715,858
Tangible assets	3	351,534
Investment in associate		345
		<b>1,067,737</b>
<b>Current assets</b>		
Stock		2,771
Debtors: amounts falling due within one year		40,938
Debtors: amounts falling due after more than one year		25,128
Cash at bank and in hand	4	68,858
		<b>137,695</b>
<b>Creditors: amounts falling due within one year</b>		
Loans (net of unamortised issue costs)	5	(51,124)
Other creditors	6	(105,473)
		<b>(156,597)</b>
<b>Net current liabilities</b>		
		<b>(18,902)</b>
<b>Total assets less current liabilities</b>		
		<b>1,048,835</b>
<b>Creditors: amounts falling due after more than one year</b>		
Loans (net of unamortised issue costs)	5	985,210
Other creditors	7	51,017
Provision for liabilities	8	41,069
<b>Capital and reserves</b>		
Called up share capital		4,718
Profit and loss account		(32,093)
<b>Total shareholders' deficit</b>		
		<b>(27,375)</b>
<b>Minority interests</b>		
		<b>(1,086)</b>
<b>Capital employed</b>		
		<b>1,048,835</b>

# Vougeot Bidco plc

## Interim Condensed Consolidated Cash Flow Statement (unaudited) for the thirteen weeks ended 27 February 2014

	Notes	Thirteen weeks ended 27 February 2014 £'000
<b>Operating activities</b>		
Net cash inflow from operating activities	10	30,363
<b>Return on investments and servicing of finance</b>		
Interest received		127
Interest paid		(17,132)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(17,005)
Taxation paid		(367)
<b>Cash outflow for capital expenditure and other financial investments</b>		
Payments to acquire tangible assets		(9,261)
Landlord contributions received		825
Acquisitions		(4,898)
<b>Net cash outflow from capital expenditure and other financial investments</b>		(13,334)
<b>Net cash outflow before financing activities</b>		(343)
<b>Financing activities</b>		
Revolving credit facility drawings		15,000
Repayment of other loans		(407)
<b>Net cash inflow from financing activities</b>		14,593
<b>Increase in cash</b>		14,250

## Vougeot Bidco plc

### Interim Condensed Consolidated Statement of Total Recognised Gains and Losses for the thirteen weeks ended 27 February 2014 (unaudited)

	<b>Thirteen weeks ended 27 February 2014 £'000</b>
Loss for the financial period	(8,323)
Foreign exchange movement	(1,642)
	<hr/>
<b>Total recognised losses relating to the financial period</b>	<b>(9,965)</b>

### Interim Condensed Consolidated Statement of Shareholders' Deficit for the thirteen weeks ended 27 February 2014 (unaudited)

	<b>Share Capital £'000</b>	<b>Profit and Loss Account £'000</b>	<b>Total Shareholders' Deficit £'000</b>
Balance as at 28 November 2013	4,718	(22,128)	(17,410)
Loss for the financial period	-	(8,323)	(8,323)
Foreign exchange movement	-	(1,642)	(1,642)
	<hr/>		
<b>Net reduction for the financial period</b>	<b>-</b>	<b>(9,965)</b>	<b>(9,965)</b>
	<hr/>		
<b>Closing balance as at 27 February 2014</b>	<b>4,718</b>	<b>(32,093)</b>	<b>(27,375)</b>

# Vougeot Bidco plc

## Notes to the Financial Statements for the thirteen weeks ended 27 February 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

	<b>£'000</b>
<b>Cost</b>	
At 28 November 2013	734,548
Additions	1,656
Foreign exchange movements	(154)
<b>At 27 February 2014</b>	<b>736,050</b>
<b>Accumulated amortisation</b>	
At 28 November 2013	(10,856)
Charged for the period	(9,369)
Foreign exchange movements	33
<b>At 27 February 2014</b>	<b>(20,192)</b>
<b>Net book value at 27 February 2014</b>	<b>715,858</b>
<b>Net book value at 28 November 2013</b>	<b>723,692</b>

Goodwill additions in the period relate to the purchase of the remaining 2.52% of the shares in 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.



# Vougeot Bidco plc

## Notes to the Financial Statements for the thirteen weeks ended 27 February 2014 (continued)

### 3 Tangible Fixed Assets

	<b>£'000</b>
Net book value at 28 November 2013	<b>356,271</b>
Additions	<b>6,341</b>
Disposals	<b>(14)</b>
Depreciation	<b>(10,247)</b>
Foreign exchange movement	<b>(817)</b>
<b>Net book value at 27 February 2014</b>	<b>351,534</b>

The additions for the period include an amount of £4.6m of capital expenditure accrued as at 27 February 2014 relating to expenditure on new sites and other projects.

### 4 Cash at bank and in hand

	<b>As at 27 February 2014 £'000</b>
Cash - unrestricted	<b>64,569</b>
Cash - restricted	<b>4,289</b>
<b>Total Cash at bank and in hand</b>	<b>68,858</b>

Restricted cash includes £3,885k of rental deposits held in relation to some of the Group's cinema sites. The remaining amount of £404k relates to amounts held for the settlement of costs relating to the purchase of the remaining minority interest in the CinemaxX AG subsidiary.

# Vougeot Bidco plc

## Notes to the Financial Statements for the thirteen weeks ended 27 February 2014 (continued)

### 5 Loan Capital and Borrowings

	<b>As at 27 February 2014 £'000</b>
Revolving Credit Facility	<b>16,976</b>
Capitalised Issue Costs	<b>(2,048)</b>
Shareholder Loans	<b>36,196</b>
<b>Loans: amounts falling due within one year</b>	<b>51,124</b>
<hr/>	
Secured Euro - Floating notes	<b>238,173</b>
Secured Sterling - Fixed notes	<b>300,000</b>
Capitalised Issue Costs	<b>(12,191)</b>
External Loans	<b>473</b>
Shareholder Loans	<b>458,755</b>
<b>Loans: amounts falling due after more than one year</b>	<b>985,210</b>
<hr/>	
<b>Total Loans</b>	<b>1,036,334</b>

#### 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 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 TSB Bank plc. At 27 February 2014, the facility was £16,976k 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 TSB Bank PLC (Lloyds) and Nomura 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%.

# Vougeot Bidco plc

## Notes to the Financial Statements for the thirteen weeks ended 27 February 2014 (continued)

### 5 Loan Capital and Borrowings (continued)

#### Capitalised Issue Costs

Costs incurred in issuing the senior secured notes and the revolving credit and overdraft facility totalled £15.5m. The costs are capitalised and are allocated to the profit and loss account over the terms of the related debt facility. At 27 February 2014, borrowings are stated net of unamortised issue costs of £14.2m.

#### Security

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

#### 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 AG 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 AG were acquired and therefore the loan has been classified as due within one year. At 27 February 2014, accrued interest totalled £2.1m.

#### 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 27 February 2014, accrued interest totalled £25.8m.

## Vougeot Bidco plc

### Notes to the Financial Statements for the thirteen weeks ended 27 February 2014 (continued)

#### 6 Creditors: Amounts Falling Due Within One Year

	<b>As at 27 February 2014 £'000</b>
Trade creditors	19,009
Other tax and social security	4,517
Other creditors	3,300
Group relief payable	112
Finance leases	1,390
Accruals	50,450
Corporation tax payable	2,839
Deferred income	23,856
	<hr/> <b>105,473</b>
Loans (net of unamortised issue costs)	51,124
	<hr/> <b>156,597</b>

#### 7 Creditors: Amounts Falling Due After More Than One Year

	<b>As at 27 February 2014 £'000</b>
Deferred income	45,401
Other creditors	1,232
Finance leases	4,384
	<hr/> <b>51,017</b>
Loans (net of unamortised issue costs)	985,210
Provision for liabilities	41,069
	<hr/> <b>1,077,296</b>

# Vougeot Bidco plc

## Notes to the Financial Statements for the thirteen weeks ended 27 February 2014 (continued)

### 8 Provision for Liabilities

	As at 27 February 2014 £'000
Provision at beginning of period	41,118
Charge to the profit and loss account	583
Utilised during the period	(1,333)
Unwinding of discount factor on onerous leases	810
Foreign exchange movement	(109)
<b>Provision at the end of the period</b>	<b>41,069</b>

### 9 Analysis of Changes in Net Debt

	As at 28 November 2013 £'000	Cash flow £'000	Non cash movements £'000	Foreign exchange £'000	As at 27 February 2014 £'000
Cash in hand and at bank	55,491	14,250	-	(883)	68,858
Other Loans	(6,661)	407	-	7	(6,247)
Shareholders loans	(482,167)	-	(12,784)	-	(494,951)
Revolving Credit Facility borrowing	(1,983)	(15,000)	-	7	(16,976)
Senior Secured notes	(526,573)	-	(552)	3,191	(523,934)
	(961,893)	(343)	(13,336)	2,322	(973,250)

# Vougeot Bidco plc

## Notes to the Financial Statements for the thirteen weeks ended 27 February 2014 (continued)

### 10 Reconciliation of Operating Profit to Net Cash Inflow

	<b>Thirteen weeks ended 27 February 2014 £'000</b>
<b>Operating profit</b>	<b>18,814</b>
Depreciation of fixed assets	<b>10,247</b>
Amortisation of goodwill	<b>9,369</b>
Non cash operating items	<b>(4,482)</b>
Increase in stock	<b>(38)</b>
Decrease in debtors	<b>(1,858)</b>
Decrease in creditors	<b>(1,689)</b>
<b>Net cash inflow</b>	<b>30,363</b>

### 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>