

Registered number: 08514872

VUE INTERNATIONAL BIDCO PLC

UNAUDITED

FINANCIAL STATEMENTS

FOR THE 3 MONTHS ENDED 28 FEBRUARY 2017

VUE INTERNATIONAL BIDCO PLC

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (unaudited)
FOR THE PERIOD ENDED 28 FEBRUARY 2017

		(1) Restated
		13 Weeks ended
	3 Months ended	25 February 2016
	28 February 2017	
	£000	£000
	Note	
Revenue	236,606	240,631
Cost of sales	(88,559)	(92,357)
Gross profit	148,047	148,274
Operating expenses:		
Headline operating expenses	(91,943)	(86,672)
Depreciation & amortisation	(13,980)	(13,129)
Exceptional operating items	(1,859)	(908)
Operating profit	40,265	47,565
Headline operating profit ⁽²⁾	42,124	48,473
Finance income	33	25
Finance expenses	2 (31,944)	(57,817)
Net finance costs	(31,911)	(57,792)
Profit/(loss) before income tax	8,354	(10,228)
Tax	(8,674)	(10,122)
Loss for the year	(320)	(20,349)
Attributable to:		
- Owners of the parent	(371)	(20,406)
- Non-controlling interests	51	57
	(320)	(20,349)

(1) Restated to include the results of the acquisition of Jogchem's Theaters B.V.

(2) Before exceptional items

All amounts relate to continuing operations.

VUE INTERNATIONAL BIDCO PLC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)
FOR THE PERIOD ENDED 28 FEBRUARY 2017

	3 Months ended 28 February 2017	⁽¹⁾ Restated 13 Weeks ended 25 February 2016
	£000	£000
Loss for the year	(320)	(20,349)
Items that may subsequently be reclassified to profit or loss		
Translation (losses)/gain on net investments	(1,382)	36,197
Total comprehensive (loss)/income for the year	(1,702)	15,848
Attributable to:		
- Owners of the parent	(1,753)	15,791
- Non-controlling interests	51	57

(1) Restated to include the results of the acquisition of Jogchem's Theaters B.V.

VUE INTERNATIONAL BIDCO PLC

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)
AS AT 28 FEBRUARY 2017

		As at 28 February 2017 £000	(1) Restated As at 30 November 2016 £000
Non-current assets			
Property, plant and equipment	3	337,339	343,789
Goodwill and intangible assets		863,471	864,137
Investments		185	185
Deferred tax asset		27,152	31,313
Trade and other receivables	5	2,861	2,799
Total non-current assets		1,231,008	1,242,223
Current assets			
Inventories	4	4,560	4,578
Trade and other receivables	5	58,708	61,981
Cash and cash equivalents	6	131,446	102,946
Total current assets		194,714	169,505
Total assets		1,425,722	1,411,728
Current liabilities			
Trade and other payables	7	170,555	171,061
Interest-bearing loans and other liabilities	8	5,834	5,978
Provisions	9	990	987
Total current liabilities		177,379	178,026
Non-current liabilities			
Trade and other payables	7	48,523	48,455
Interest-bearing loans and other liabilities	8	1,403,754	1,386,149
Provisions	9	100,554	102,273
Deferred tax liability		3,354	3,354
Total non-current liabilities		1,556,185	1,540,231
Total liabilities		1,733,564	1,718,257
Net liabilities		(307,842)	(306,529)
Equity			
Share capital	10	4,718	4,718
Share based payment reserve		7,312	6,798
Retained losses		(319,947)	(318,194)
Equity attributable to owners of the parent		(307,917)	(306,678)
Non-controlling interests		75	150
Total equity		(307,842)	(306,529)

(1) Restated to include the results of the acquisition of Jogchem's Theaters B.V.

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)
FOR THE PERIOD ENDED 28 FEBRUARY 2017

	Share Capital £000	Share Based Payment Reserve £000	Retained Earnings £000	Total £000	Non- controlling entity £000	Total Equity £000
Balance at 30 November 2015	4,718	4,743	(247,259)	(237,797)	111	(237,686)
(Loss)/Profit for the period	-	-	(121,472)	(121,472)	39	(121,432)
Other comprehensive income for the period	-	-	52,948	52,948	-	52,948
Total comprehensive (loss)/income for the period	-	-	(68,524)	(68,524)	57	(68,467)
Share based payments	-	2,055	-	2,055	-	2,055
Dividend paid	-	-	-	-	(18)	(18)
Reserve arising from group restructure	-	-	(2,412)	(2,412)	-	(2,412)
Balance at 30 November 2016	4,718	6,798	(318,194)	(306,678)	150	(306,529)
(Loss)/Profit for the period	-	-	(371)	(371)	51	(319)
Other comprehensive loss for the period	-	-	(1,382)	(1,382)	-	(1,382)
Total comprehensive (loss)/income for the period	-	-	(1,752)	(1,752)	51	(1,701)
Share based payments	-	514	-	514	-	514
Dividend paid	-	-	-	-	(127)	(127)
Balance at 28 February 2017	4,718	7,312	(319,947)	(307,917)	75	(307,842)

VUE INTERNATIONAL BIDCO PLC

**CONSOLIDATED CASH FLOW STATEMENT (unaudited)
FOR THE PERIOD ENDED 28 FEBRUARY 2017**

		(1) Restated
	3 Months ended	13 Weeks ended
	28 February 2017	25 February 2016
Notes	£000	£000
Net cash from operating activities	58,606	51,460
Investing activities		
Interest received	33	23
Purchases of property, plant and equipment	(6,670)	(8,167)
Landlord contributions received	-	1,459
Net cash used in investing activities	(6,637)	(6,685)
Financing activities		
Interest paid	(18,644)	(17,757)
Payment of borrowings	(2,047)	(1,770)
Dividend paid	(127)	-
Net cash used in financing activities	(20,818)	(19,527)
Net increase in cash and cash equivalents	31,150	25,248
Cash and cash equivalents at beginning of period	102,946	53,841
Exchange (losses)/gains on cash and cash equivalents	(2,650)	7,150
Cash and cash equivalents at end of period	131,446	86,239

(1) Restated to include the results of the acquisition of Jogchem's Theaters B.V.

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

1. BASIS OF PREPARATION

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

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

2. FINANCE COSTS

	3 Months ended 28 February 2017 £000	13 Weeks ended 25 February 2016 £'000
Senior secured notes and bank loans	14,282	11,771
Amortisation of capitalised issue costs	70	347
Shareholder loans - rolled up interest	18,148	14,274
Unwinding of discount factor on provisions	456	686
Exchange (gains)/losses	(1,012)	30,739
	<u>31,944</u>	<u>57,817</u>

3. PROPERTY, PLANT AND EQUIPMENT

	As at 28 February 2017 £000	As at 30 November 2016 £000
Opening net book value	343,789	349,139
Additions	5,890	28,837
Disposals	(119)	(407)
Depreciation	(13,363)	(52,642)
Impairment charge	-	(8,382)
Foreign exchange gain	1,263	26,379
Fair value adjustments	(121)	865
	<u>337,339</u>	<u>343,789</u>

4. INVENTORIES

	As at 28 February 2017 £000	As at 30 November 2016 £000
Finished goods and goods for resale	<u>4,560</u>	<u>4,578</u>

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

5. TRADE AND OTHER RECEIVABLES

	As at 28 February 2017 £000	As at 30 November 2016 £000
Current trade and other receivables		
Trade receivables	28,290	26,473
Prepayments	22,226	23,738
Other receivables	7,726	11,367
Intercompany receivables	466	403
	<u>58,708</u>	<u>61,981</u>

6. CASH AND CASH EQUIVALENTS

	As at 28 February 2017 £000	As at 30 November 2016 £000
Cash - unrestricted	124,523	96,014
Cash - restricted	6,923	6,932
	<u>131,446</u>	<u>102,946</u>

7. TRADE AND OTHER PAYABLES

	As at 28 February 2017 £000	As at 30 November 2016 £000
Current trade and other payables		
Trade payables	40,200	52,224
Accrued expenses	76,528	74,684
Taxation and social security	8,388	4,386
Project & construction payables (Inc accruals & retentions)	8,985	9,388
Deferred income	36,454	30,379
	<u>170,555</u>	<u>171,061</u>
Non-current Trade and other payables		
Deferred Income	<u>48,523</u>	<u>48,455</u>

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

8. BORROWINGS

	1000	1000
	As at	As at
	28 February	30 November
	2017	2016
	£000	£000
Unsecured borrowings at amortised cost		
Shareholder loans	678,437	660,303
	<u>678,437</u>	<u>660,303</u>
Secured borrowing at amortised cost		
Senior secured euro - floating notes	298,308	298,211
Senior secured sterling - fixed notes	295,448	295,145
Senior Term Loan B	99,891	99,819
Finance lease liabilities	37,394	38,856
External loans	800	553
Unamortised capitalised bank fees	(692)	(759)
	<u>731,149</u>	<u>731,825</u>
Current	<u>5,834</u>	<u>5,978</u>
Non-current	<u>1,403,754</u>	<u>1,386,149</u>
Total	<u>1,409,588</u>	<u>1,392,127</u>

Senior Secured Notes

Senior secured floating rate euro denominated notes of €290m were issued on 18 July 2013 with a termination date of 15 July 2020. Interest is floating at three month EURIBOR plus a margin of 525 bps. Interest is payable on a quarterly basis. An Original Issue Discount fee (OID) of €1.2m (£1.0m) was paid on the date of issue of the notes.

A further €70m issue of the senior secured floating rate euro denominated notes occurred on 11 November 2014 with the same terms as the previous notes. The termination date is 15 July 2020. Interest is floating at three month EURIBOR plus a margin of 525 bps and is payable on a quarterly basis. An Original Issue Discount fee (OID) of €1.8m (£1.4m) was paid on the date of issue of the notes. Senior secured fixed rate sterling denominated notes of £300m were issued on 18 July 2013 with a termination date of 15 July 2020. Interest is fixed at 7.875% and payable on a semi-annual basis.

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

Shareholder loan notes

Shareholder loans bear interest of 11.0% and have a termination date of 9 August 2033. Early repayment can be requested but not before the termination of the senior secured notes.

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

8. BORROWINGS (Continued)

Security

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

Capitalised issue costs

Costs incurred in issuing the senior debt and the credit facility are capitalised and are allocated to the profit and loss account over the life of the related debt facility. At 28 February 2017 borrowings are stated net of unamortised issue costs of £15.7m (2016: £16.6m).

External loans

External loans relate to loans from the German Federal Film Fund (FFA). These loans have a variety of maturity dates with the last due to be repaid in 2022.

9. PROVISIONS

	Property provisions £000	Jubilee retirement £000	Other provisions £000	Total £000
At 30 November 2016	100,232	2,041	987	103,260
Additions	6	40	-	46
Utilised during the period	(1,981)	(112)	-	(2,093)
Unwinding of the discount factor	456	-	-	456
Foreign exchange movement	(125)	(3)	3	(125)
At 28 February 2017	98,588	1,966	990	101,544

Analysis of total provisions

Current	990	987
Non-current	100,555	102,273
	101,545	103,261

10. SHARE CAPITAL

	As at 28 February 2017 £000	As at 30 November 2016 £000
Allotted, issued and fully paid		
4,718,100 Ordinary shares of £1.00 each	4,718	4,718

VUE INTERNATIONAL BIDCO PLC

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

11. CASH GENERATED FROM OPERATIONS

	3 Months ended 28 February 2017 £000	⁽¹⁾ Restated 13 Weeks ended 25 February 2016 £000
Loss for the year	(320)	(20,349)
Adjustments for:		
Income tax expense	8,674	10,122
Net finance costs	31,927	57,804
Loss on disposal of tangible fixed assets	51	80
Depreciation	13,363	12,907
Amortisation of intangible assets	618	661
Decrease in provisions and other non-cash items	(1,749)	(1,120)
Operating cash flows before movements in working capital	52,564	60,105
Decrease in inventories	31	803
Decrease/(increase) in receivables	4,687	(1,995)
Increase/(decrease) in payables	2,137	(6,236)
Cash generated by operations	59,419	52,677
Taxation paid	(814)	(1,217)
Net cash inflow	58,606	51,460

(1) Restated to include the results of the acquisition of Jogchem's Theaters B.V.

12. ANALYSIS OF CHANGES IN NET DEBT

	30-Nov-16 £000	Cash Flow movements £000	Exchange movements £000	Interest charges £000	Other non- cash movements £000	28-Feb-17 £000
Cash and bank balances	102,946	31,150	(2,650)	-	-	131,446
Shareholder loans	(660,303)	-	-	(18,134)	-	(678,437)
Senior secured notes and loans	(693,175)	-	629	-	(1,101)	(693,647)
Unamortised capitalised bank fees	759	-	-	-	(70)	689
Finance leases	(39,409)	1,182	33	-	-	(38,194)
	(1,289,182)	32,332	(1,988)	(18,134)	(1,171)	(1,278,144)

13. TAXATION

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

14. FINANCIAL RISK MANAGEMENT

The interim condensed consolidated financial statements do not include the financial risk management information and disclosures required in annual financial statements. A description of major risk factors considered by the Group can be found in the audited annual report and financial statements of Vue International Bidco plc for the period to 30 November 2016, a copy of which is available on the group website (<http://corporate.myvue.com/home/investor-relations>).