

Registered number: 08514872

VUE INTERNATIONAL BIDCO PLC

UNAUDITED

FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED 31 MAY 2017

VUE INTERNATIONAL BIDCO PLC
INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (unaudited)
FOR THE PERIOD ENDED 31 MAY 2017

			(1) Restated 13 Weeks ended 26 May 2016 £000	(1) Restated 26 Weeks ended 26 May 2016 £000
	Note	3 Months ended 31 May 2017 £000	6 Months ended 31 May 2017 £000	
Revenue		184,668	421,273	161,929
Cost of sales		(71,291)	(159,850)	(60,619)
Gross profit		113,377	261,423	101,310
Operating expenses:				
Headline operating expenses		(89,831)	(181,773)	(82,416)
Depreciation & amortisation		(13,835)	(27,816)	(13,563)
Exceptional operating items		2,390	531	(2,216)
Operating profit		12,101	52,365	3,115
Headline operating profit ⁽²⁾		9,711	51,834	5,331
Finance income		19	53	55
Finance expenses	2	(42,628)	(74,571)	(26,146)
Net finance costs		(42,609)	(74,518)	(26,091)
Loss before income tax		(30,508)	(22,153)	(22,976)
Tax		(1,778)	(10,452)	(40)
Loss for the year		(32,286)	(32,605)	(23,016)
Attributable to:				
- Owners of the parent		(32,320)	(32,691)	(23,059)
- Non-controlling interests		34	86	43
		(32,286)	(32,605)	(23,016)

(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 31 MAY 2017

	3 Months	6 Months	⁽¹⁾ Restated 13 Weeks	⁽¹⁾ Restated 26 Weeks
	ended	ended	ended	ended
	31 May 2017	31 May 2017	26 May 2016	26 May 2016
	£000	£000	£000	£000
Loss for the year	(32,286)	(32,605)	(23,016)	(43,363)
Items that may subsequently be reclassified to profit or loss				
Translation gains/(losses) on net investments	15,909	14,527	(15,428)	20,769
Total comprehensive loss for the year	(16,377)	(18,078)	(38,444)	(22,594)
Attributable to:				
- Owners of the parent	(16,411)	(18,164)	(38,487)	(22,694)
- Non-controlling interests	34	86	43	100

(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 31 MAY 2017

		(1) Restated
		As at
		As at
		31 May 2017
		30 November 2016
	Notes	£000
		£000
Non-current assets		
Property, plant and equipment	3	341,167
Goodwill and intangible assets		870,664
Investments		364
Deferred tax asset		26,512
Trade and other receivables	5	3,019
Total non-current assets		1,241,726
Current assets		
Inventories	4	4,671
Trade and other receivables	5	60,547
Cash and cash equivalents	6	127,642
Total current assets		192,860
Total assets		1,434,586
Current liabilities		
Trade and other payables	7	163,056
Interest-bearing loans and other liabilities	8	5,740
Provisions	9	1,051
Total current liabilities		169,847
Non-current liabilities		
Trade and other payables	7	50,005
Interest-bearing loans and other liabilities	8	1,431,684
Provisions	9	103,407
Deferred tax liability		3,349
Total non-current liabilities		1,588,445
Total liabilities		1,758,292
Net liabilities		(323,706)
Equity		
Share capital	10	4,718
Share based payment reserve		7,825
Retained losses		(336,358)
Equity attributable to owners of the parent		(323,815)
Non-controlling interests		109
Total equity		(323,706)

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

VUE INTERNATIONAL BIDCO PLC
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)
FOR THE PERIOD ENDED 31 MAY 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	(306,528)
(Loss)/profit for the period	-	-	(32,691)	(32,691)	86	(32,605)
Other comprehensive loss for the period	-	-	14,527	14,527	-	14,527
Total comprehensive (loss)/income for the period	-	-	(18,164)	(18,163)	86	(18,078)
Share based payments	-	1,027	-	1,027	-	1,027
Dividend paid	-	-	-	-	(127)	(127)
Balance at 31 May 2017	4,718	7,825	(336,358)	(323,815)	109	(323,706)

VUE INTERNATIONAL BIDCO PLC
CONSOLIDATED CASH FLOW STATEMENT (unaudited)
FOR THE PERIOD ENDED 31 MAY 2017

		3 Months ended 31 May 2017 £000	6 Months ended 31 May 2017 £000	(1) Restated 13 Weeks ended 26 May 2016 £000	(1) Restated 26 Weeks ended 26 May 2016 £000
Net cash (outflow)/inflow from operating activities	11	(821)	57,781	(6,987)	44,542
Cashflows from investing activities					
Interest received		19	53	48	73
Dividend received		-	-	15	15
Purchases of property, plant and equipment		(11,787)	(18,457)	(8,488)	(16,655)
Site acquisition incentive payment		8,519	8,519	-	-
Landlord contributions received		3,158	3,158	-	1,391
Investment in Joint Venture		(174)	(174)	-	-
Proceeds from disposal of property, plant and equipment		361	361	82	84
Net cash outflow from investing activities		96	(6,540)	(8,343)	(15,092)
Cashflows from financing activities					
Interest paid		(6,454)	(25,098)	(5,521)	(23,278)
Payment of borrowings		(1,448)	(3,495)	(833)	(2,605)
Dividend paid		-	(127)	(593)	(593)
Net cash outflow from financing activities		(7,902)	(28,720)	(6,947)	(26,476)
Net increase/(decrease) in cash and cash equivalents		(8,627)	22,521	(22,277)	2,974
Cash and cash equivalents at beginning of period		131,446	102,946	86,239	53,841
Exchange gains/(losses) on cash and cash equivalents		4,822	2,175	(2,906)	4,241
Cash and cash equivalents at end of period		127,642	127,642	61,056	61,056

(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 31 May 2017 £000	6 Months ended 31 May 2017 £000	3 Months ended 26 May 2016 £000	6 Months ended 26 May 2016 £000
Senior secured notes and bank loans	13,869	28,151	11,743	23,514
Amortisation of capitalised issue costs	70	139	373	720
Intercompany loans	18,133	36,280	23,944	38,218
Unwinding of discount factor on provisions	465	921	686	1,371
Exchange (gains)/losses	10,091	9,080	(10,600)	20,139
	42,628	74,571	26,146	83,962

3. PROPERTY, PLANT AND EQUIPMENT

	As at 31 May 2017 £000	As at 30 November 2016 £000
Opening net book value	343,789	349,139
Additions	17,350	28,837
Disposals	(404)	(407)
Depreciation	(26,545)	(52,642)
Impairment charge	-	(8,382)
Foreign exchange gain	6,492	26,379
Fair value adjustments	(120)	865
Transfers	605	-
Closing net book value	341,167	343,789

4. INVENTORIES

	As at 31 May 2017 £000	As at 30 November 2016 £000
Finished goods and goods for resale	4,671	4,578

VUE INTERNATIONAL BIDCO PLC
NOTES TO THE FINANCIAL STATEMENTS (unaudited)

5. TRADE AND OTHER RECEIVABLES

	As at 31 May 2017 £000	As at 30 November 2016 £000
Trade receivables	27,574	30,829
Allowance for doubtful debts	(4,331)	(4,356)
Prepayments	26,649	26,537
Other receivables	13,396	11,367
Amounts receivable from parent undertakings	278	403
Total	<u>63,566</u>	<u>64,780</u>
Current	60,547	61,981
Non-current	3,019	2,799
Total	<u>63,566</u>	<u>64,780</u>

6. CASH AND CASH EQUIVALENTS

	As at 31 May 2017 £000	As at 30 November 2016 £000
Cash - unrestricted	120,844	96,014
Cash - restricted	6,798	6,932
	<u>127,642</u>	<u>102,946</u>

7. TRADE AND OTHER PAYABLES

	As at 31 May 2017 £000	As at 30 November 2016 £000
Trade payables	45,028	50,946
Accrued expenses and other payables	71,547	70,174
Taxation and social security	4,789	4,386
Project & construction payables (Inc accruals & retentions)	6,964	11,311
Deferred income	84,733	82,698
Total	<u>213,061</u>	<u>219,515</u>
Current	163,056	171,061
Non-current	50,005	48,454
Total	<u>213,061</u>	<u>219,515</u>

VUE INTERNATIONAL BIDCO PLC
NOTES TO THE FINANCIAL STATEMENTS (unaudited)

8. BORROWINGS

	As at 31 May 2017 £000	As at 30 November 2016 £000
Non-current		
Interest-bearing loans and bank borrowings	1,401,352	1,353,272
Finance lease liabilities	30,332	32,877
Total	<u>1,431,684</u>	<u>1,386,149</u>
Current		
Finance lease liabilities	5,740	5,978
Total	<u>5,740</u>	<u>5,978</u>
Interest-bearing loans and other liabilities	<u>1,437,424</u>	<u>1,392,127</u>

The terms and conditions of outstanding loans were as follows:

	Current		Non-Current		Total	
	31 May 2017 £000	30 November 2016 £000	31 May 2017 £000	30 November 2016 £000	31 May 2017 £000	30 November 2016 £000
Senior secured note - £300m	-	-	295,748	295,145	295,748	295,145
Senior secured note - €360m	-	-	306,382	298,211	306,382	298,211
Senior secured loan - €120m	-	-	102,456	99,819	102,456	99,819
External loans	-	-	789	554	789	554
Shareholder loan notes	-	-	696,599	660,302	696,599	660,302
Total	-	-	1,401,974	1,354,031	1,401,974	1,354,031
Less:						
Capitalised issues costs	-	-	(622)	(759)	(622)	(759)
Total interest bearing loans and borrowings	-	-	1,401,352	1,353,272	1,401,352	1,353,272
Finance lease liabilities	5,740	5,978	30,332	32,877	36,072	38,855
Total interest bearing loans and borrowings	5,740	5,978	1,431,684	1,386,149	1,437,424	1,392,127

VUE INTERNATIONAL BIDCO PLC
NOTES TO THE FINANCIAL STATEMENTS (unaudited)

8. BORROWINGS (Continued)

Senior Secured Notes

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

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

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

Shareholder loan notes

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

Security

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

Capitalised issue costs

Costs incurred in issuing the senior debt and the credit facility are capitalised and are allocated to the profit and loss account over the life of the related debt facility. At 31 May 2017 borrowings are stated net of unamortised issue costs of £14.2m (November 2016: £16.6m).

External loans

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

VUE INTERNATIONAL BIDCO PLC
NOTES TO THE FINANCIAL STATEMENTS (unaudited)

9. PROVISIONS

	As at 31 May 2017 £000	As at 30 November 2016 £000
Analysis of total provisions		
Current	1,051	987
Non-current	103,407	102,273
	<u>104,458</u>	<u>103,260</u>

	Property provisions £000	Jubilee retirement £000	Other Provisions £000	Total £000
At 30 November 2016	100,232	2,041	987	103,260
Additions during the year	4,281	73	-	4,354
Released during the year	(3,896)	(131)	-	(4,027)
Unwound during the year	921	(23)	-	898
Foreign exchange (gains)/loss	(139)	48	64	(27)
At 31 May 2017	<u>101,399</u>	<u>2,008</u>	<u>1,051</u>	<u>104,458</u>

10. SHARE CAPITAL

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

11. CASH GENERATED FROM OPERATIONS

	3 Months ended 31 May 2017 £000	6 Months ended 31 May 2017 £000	(1) Restated 13 Weeks ended 26 May 2016 £000	(1) Restated 26 Weeks ended 26 May 2016 £000
Loss for the year	(32,286)	(32,605)	(23,016)	(43,363)
Adjustments for:				
Income tax expense	1,778	10,452	40	10,161
Net finance costs	42,614	74,541	26,157	83,961
(Loss)/gain on disposal of tangible fixed assets	(7)	43	(57)	23
Depreciation	13,238	26,600	12,962	25,869
Amortisation of intangible assets	598	1,215	161	822
Decrease/(increase) in provisions and other non-cash items	(7,255)	(9,004)	79	(1,041)
Operating cash flows before movements in working capital	<u>18,680</u>	<u>71,242</u>	<u>16,326</u>	<u>76,434</u>
(Increase)/decrease in inventories	(2,822)	(2,791)	162	964
(Increase)/decrease in receivables	(1,833)	2,853	12,216	10,290
Decrease in payables	(10,989)	(8,853)	(31,676)	(37,912)
Cash generated by operations	<u>3,036</u>	<u>62,451</u>	<u>(2,972)</u>	<u>49,774</u>
Taxation paid	(3,857)	(4,670)	(4,015)	(5,232)
Net cash (outflow)/inflow from operating activities	<u>(821)</u>	<u>57,781</u>	<u>(6,987)</u>	<u>44,542</u>

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

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

12. ANALYSIS OF CHANGES IN NET DEBT

	30 November 2016 £'000	Cashflow £'000	Foreign exchange movements £'000	Interest charges £'000	Other non- cash movements £'000	31 May 2017 £'000
Cash and cash equivalents	102,946	22,521	2,175	-	-	127,642
Shareholder loan notes	(660,302)	-	-	(36,295)	-	(696,599)
Senior secured notes and loans	(693,175)	-	(9,412)	-	(1,999)	(704,586)
Unamortised capitalised bank fees	759	-	-	-	(137)	622
Finance lease liabilities	(38,855)	5,196	(712)	(1,701)	-	(36,072)
External loans	(554)	(253)	52	-	(35)	(789)
Total	(1,289,181)	27,464	(7,897)	(37,997)	(2,171)	(1,309,782)

13. TAXATION

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

14. FINANCIAL RISK MANAGEMENT

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