



ENTERTAINMENT ONE PRESENTS

Interim Results

November 2010

ENTERTAINMENT ONE LTD. PRESENTS A LEADING INTERNATIONAL INDEPENDENT ENTERTAINMENT
 BUSINESS OPERATING WORLDWIDE. E1 FILMS ACQUIRES, CREATES AND EXPLOITS FILMED CONTENT RIGHTS
 IN MULTIPLE TERRITORIES ACROSS ALL MEDIA: CINEMA, DVD, TV AND DIGITAL.



www.entertainmentonegroup.com



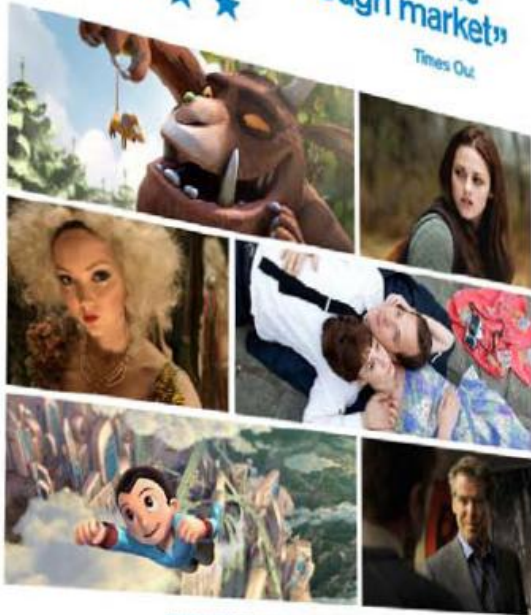
Agenda

- Welcome Darren Throop, CEO
- Financial Update Giles Willits, CFO
- Business Update Darren Throop, CEO
- Questions & Answers All

“Robust results against the background of a tough market”



Times Out



ENTERTAINMENT ONE PRESENTS

FINANCIALS

EMPEROR DESIGN™ ENTERTAINMENT ONE LTD.™ IS A LEADING INTERNATIONAL PRODUCTION AND DISTRIBUTION BUSINESS OPERATING WORLDWIDE. E1 FILMS ACQUIRES, CREATES™ AND DISTRIBUTES FILMS TO CINEMA THEATRES IN MULTIPLE TERRITORIES ACROSS ALL MEDIA: CINEMA, DVD, TV™ AND DIGITAL.



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Interim Results – six months to 30 September 2010

Financial Highlights

- H1 revenue increased 30% to £212 million
- Underlying EBITDA increased 34% to £12.5 million
- Net finance charges reduced 27% to £3.9 million
- Adj. Profit before tax increased 166% to £7.5 million
- Adjusted (diluted) EPS at 3.9 pence up 290%
- One-off cost of £1.8 million relating to main market step up
- Strong operating cash flow of £30.6 million, up 7% from £28.6 million
- Investment in Content at £43.5 million up 12%
- Net Debt down £7.7 million year on year, up £17.1 million from year end

Income Statement

	Revenue £'m	Movement * %	EBITDA £'m	Movement * £'m
Film	101.2	27.3%	4.3	(3.2)
Television	27.5	146%	6.7	7.6
Distribution	101.3	(5.8)%	4.0	(1.7)
Other/ Eliminations	(18.0)	-	(2.5)	-
	212.0	18.9%	12.5	2.7

Film

- Strong revenue growth driven by increased theatrical activity, P&A costs up £16.4 million impacting H1 EBITDA, full year forecast for growth year on year in line with expectations

Television

- Revenue and EBITDA increase due to the growth in production and international sales, with Family enjoying success with *Peppa Pig* and *Ben & Holly's Little Kingdom*

Distribution

- Impact of phasing of DVD releases in Canada year on year caused a decline in H1 sales and EBITDA, expected to recover in H2 in line with expectations.

Cash flow

	HY11	HY10
	£'m	£'m
Operating cash flow (after tax)	30.6	28.6
Investment in content	(43.5)	(38.9)
Capex	(0.4)	(1.1)
Interest paid	(2.8)	(2.4)
Acquisition of subsidiaries	(3.1)	(4.5)
Foreign exchange movements	3.3	(0.6)
Other items	(1.2)	(2.2)
Movement in net debt	(17.1)	(21.1)

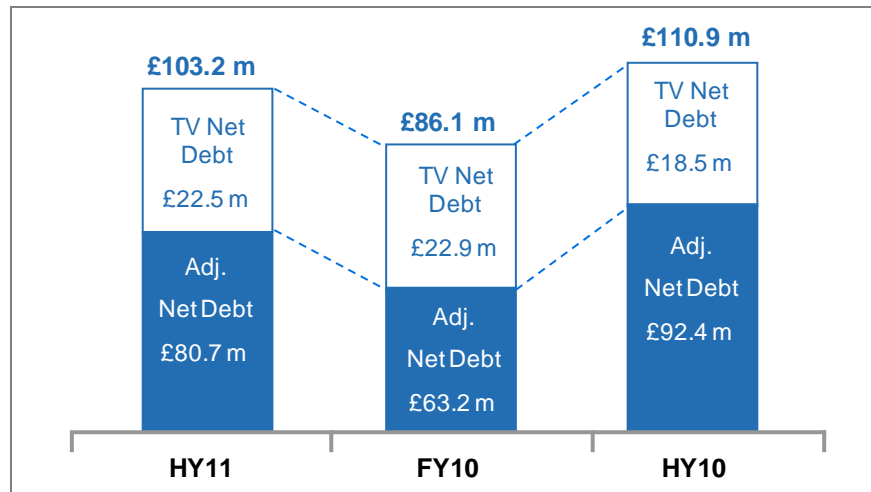
Operating Cash flow

- Increase in operating cash flow driven by improvement in underlying EBITDA

Investment in Content

- Increased content investment particularly in film, up 54%. TV investment in programmes down year on year reflecting tax credits receipts, gross investment up £4.5m

Net Debt



Adjusted net debt

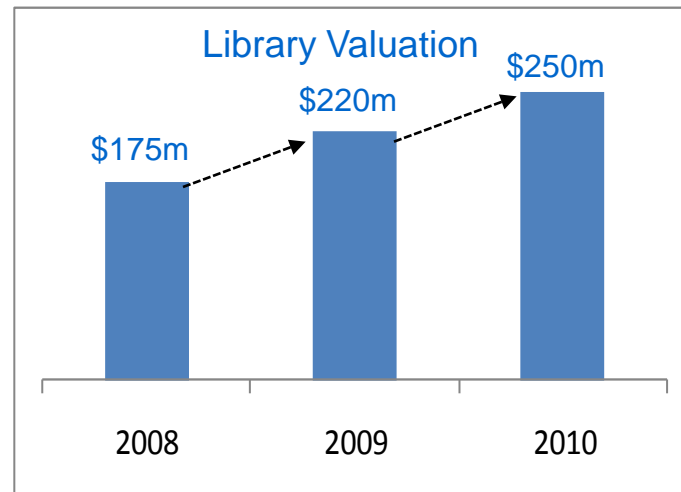
- Year on year adjusted net debt improved £11.7 million reflecting the buyback of the exchangeable debt in January 2010. There is a seasonal outflow in H1 which reverses in H2 as titles move into their home entertainment window, generating an expected full year positive free cash flow and reduced debt at year end.

TV Production financing

- TV debt in line with year end and up on prior year reflecting increased production activity

Balance Sheet

- Financial strength of Group improved year on year with net assets at £157.3 million up £28.5 million
- Content investment on balance sheet of £76.8 million does not include upside associated with content rights library which was independently valued as at March 2010 at \$250 million, up 14% year on year



- Impact of step up to main market in July has simplified the share structure with the conversion of the S Class shares – shares in issue (excluding treasury shares) now 161.3 million, net impact on reserves is nil

"A strong performance
from a stellar cast"

10 OUT OF 10

Totally Film



ENTERTAINMENT ONE PRESENTS

BUSINESS UPDATE

THE COMPANY HAS A STRONG TRACK RECORD OF DELIVERING
SUSTAINABLE GROWTH AND EXCELLENCE TO OUR INVESTORS
AND CUSTOMERS. WE ARE COMMITTED TO CONTINUING TO
DELIVER VALUE AND GROWTH FOR OUR INVESTORS AND CUSTOMERS.



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Film

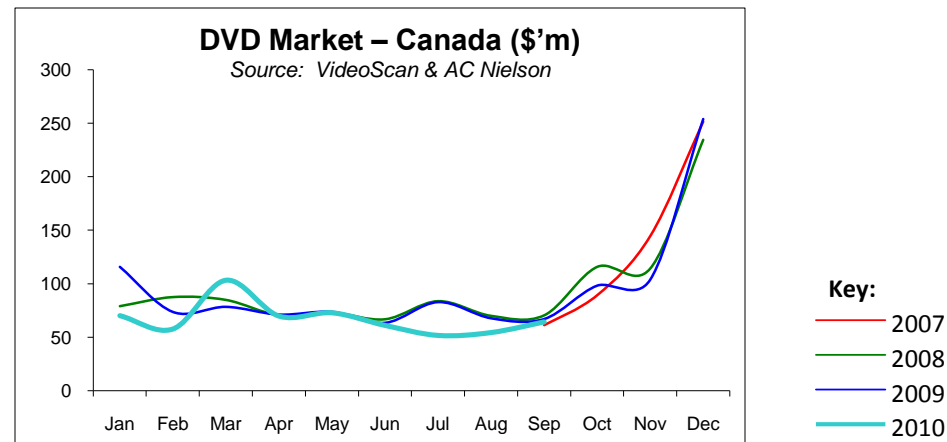
- Film business continuing to grow
 - 63 releases in H1 compared to 51 in prior year including continuing success of Twilight Franchise with release of *The Twilight Saga: Eclipse*
 - International distribution network increased to include Scandinavia and South Africa, in total now 7 territories (in addition to Canada, UK, Benelux and U.S.), with over 30 releases in H1, more in H2
 - Digital content supporting growth now accounts for 7% of Group sales, eOne enhancing its capability by offering aggregation services to other producers
 - Increased investment in film continues to position business for further growth both in current year and beyond
 - successful at recent film markets in acquiring high profile titles for 2011 and 2012
 - strong slate of theatrical releases in H2 including *RED*, which opened ahead of expectations and *Gnomeo & Juliet*. DVD release of *The Twilight Saga: Eclipse* in December 2010
 - Anticipate year on year growth in line with expectations for full year

Television

- Significant success in the Television division
 - Half hours delivered up 35% to 115 in H1 including
 - *Rookie Blue, Haven and Call Me Fitz*
 - Re-orders for *Rookie Blue, Haven, Hung and Call Me Fitz* already commissioned
 - International Sales successes with *Rookie Blue* and *Haven* already sold into over 120 territories
 - Cross divisional synergies include agreement with Fox International Channels to handle international television and home entertainment distribution of hit series *The Walking Dead*
 - Expansion of eOne Family including
 - *Peppa Pig* agreement with Nick Jr. in U.S.
 - Second season of *Ben & Holly's Little Kingdom*
 - Licensing & Merchandising activities continued to increase including the launch of *Ben & Holly* toy range and further expansion of the *Peppa Pig* franchise
 - Strong development pipeline across Television in multiple genres/formats
 - H2 forecast to deliver similar number of half hours of production, at half year “sales not yet recognised” in relation to work in progress were over £20 million

Distribution

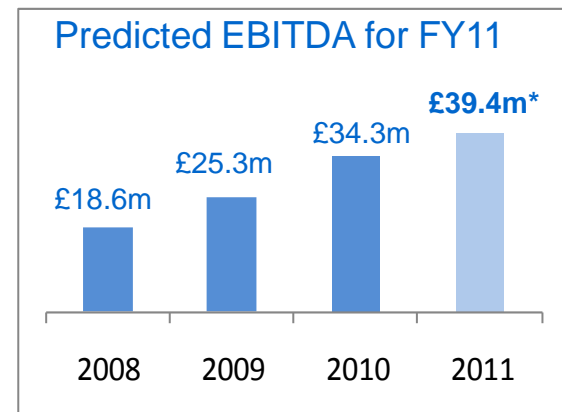
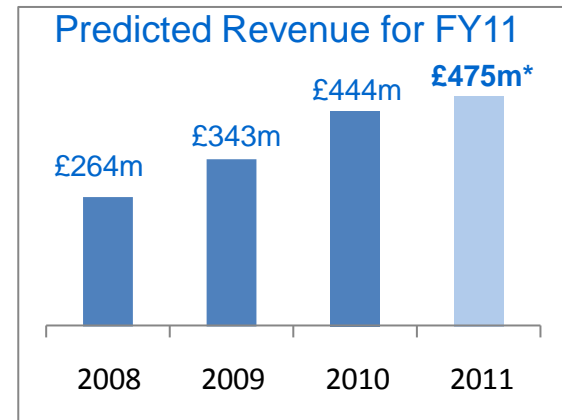
- Distribution performance broadly in line with expectations, H1 impacted by phasing of Canadian 'tent pole' titles particularly in the second quarter
- Canadian DVD market remains robust with an 8% reduction on an LTM basis



- Stronger second half release schedule anticipated during the forthcoming holiday season, helping recover first half position and deliver full year in line with expectations

Outlook

- Film
 - Over 60 films forecast for release in second half, strong DVD release line up
- Television
 - Strong pipeline, similar number of deliveries in H2 to H1, international sales gaining further momentum
- Distribution
 - Better DVD release schedule during key forthcoming holiday season
- Financials
 - Overall Group results expected to be in line with market expectations, with positive free cash flow delivering lower year on year adjusted net debt



* All figures are based on market consensus

Summary

- Strong interim financial results
- Excellent progress across Film and Television businesses
- Strong second half forecast
- Full year outlook in line with market expectations



“Making excellent progress
in pursuing strategy”

Times Out



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Q&A

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