



## **Sunshine Holdings 3 Limited**

### **Summary mid-year update for the six months ended 31 January 2009**

The Directors of Sunshine Holdings 3 Limited present their summary mid-year update for the company and its subsidiaries ('the Group') for the six months ended 31 January 2009. Any financial information contained in this summary is extracted from the unaudited management accounts which exclude any statutory year-end adjustments.

#### **Group Overview**

During the first half of the year, revenue declined by (1%) versus prior year, excluding Guinness World Records which was sold in 2008. Careful control over SM&D and overhead costs, as well as a gain on the sale of ToyCo tooling assets, led to EBITDA growth of 2% versus prior year.

#### **Consumer Products**

In November 2008, the Group reached an agreement with Fisher Price on a six-year worldwide (excluding Japan) master toy license for the Thomas brand. The agreement with Fisher Price partners the world's number one preschool brand for boys with the world's largest toy company, and the economics of the deal reflect the overwhelming strength of the Thomas brand. As a result of this partnership, the Group will be liquidating its in-house toy division throughout the course of calendar 2009.

#### **Home Entertainment**

Despite what remains a challenging trading environment generally across the DVD business, divisional EBITDA grew significantly over the prior year period as a result of the Lions Gate distribution contract in North America. This growth was slightly offset by the negative impact of foreign exchange in the UK market.

#### **Live Events**

Management continues to focus on expansion of the Live Events business into new territories and remains positive about growth prospects for the future. However, the economic downturn and delayed capital spending in the themed attractions business has created some delays in the development plan.

**Television**

The Group has several series deliveries planned for the second half of fiscal 2009, most notably the new Angelina episodes which are planned for completion in the summer of 2009.

**ToyCo**

Divisional EBITDA was significantly higher than prior year due stronger sales, lower marketing and overhead costs, and the gain on the sale of tooling assets in connection with the new Thomas master toy license.