UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
RELATIVITY FASHION, LLC, *et al.*,[1]	Case No. 15-11989 (MEW)
Debtors.	(Jointly Administered)

DECLARATION OF MATTHEW R. NIEMANN
IN SUPPORT OF CONFIRMATION OF THE PLAN PROPONENTS' THIRD AMENDED PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE AND RELATED MATTERS

[1] The Debtors in these chapter 11 cases are set forth on the following page (i).

The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Relativity Fashion, LLC (4571); Relativity Holdings LLC (7052); Relativity Media, LLC (0844); Relativity REAL, LLC (1653); RML Distribution Domestic, LLC (6528); RML Distribution International, LLC (6749); RMLDD Financing, LLC (9114); 21 & Over Productions, LLC (7796); 3 Days to Kill Productions, LLC (5747); A Perfect Getaway P.R., LLC (9252); A Perfect Getaway, LLC (3939); Armored Car Productions, LLC (2750); Best of Me Productions, LLC (1490); Black Or White Films, LLC (6718); Blackbird Productions, LLC (8037); Brant Point Productions, LLC (9994); Brick Mansions Acquisitions, LLC (3910); Brilliant Films, LLC (0448); Brothers Productions, LLC (9930); Brothers Servicing, LLC (5849); Catfish Productions, LLC (7728); Cine Productions, LLC (8359); CinePost, LLC (8440); Cisco Beach Media, LLC (8621); Cliff Road Media, LLC (7065); Den of Thieves Films, LLC (3046); Don Jon Acquisitions, LLC (7951); DR Productions, LLC (7803); Einstein Rentals, LLC (5861); English Breakfast Media, LLC (2240); Furnace Films, LLC (3558); Gotti Acquisitions, LLC (6562); Great Point Productions, LLC (5813); Guido Contini Films, LLC (1031); Hooper Farm Music, LLC (3773); Hooper Farm Publishing, LLC (3762); Hummock Pond Properties, LLC (9862); Hunter Killer La Productions, LLC (1939); Hunter Killer Productions, LLC (3130); In The Hat Productions, LLC (3140); J & J Project, LLC (1832); JGAG Acquisitions, LLC (9221); Left Behind Acquisitions, LLC (1367); Long Pond Media, LLC (7197); Madaket Publishing, LLC (9356); Madaket Road Music, LLC (9352); Madvine RM, LLC (0646); Malavita Productions, LLC (8636); MB Productions, LLC (4477); Merchant of Shanghai Productions, LLC (7002); Miacomet Media LLC (7371); Miracle Shot Productions, LLC (0015); Most Wonderful Time Productions, LLC (0426); Movie Productions, LLC (9860); One Life Acquisitions, LLC (9061); Orange Street Media, LLC (3089); Out Of This World Productions, LLC (2322); Paranoia Acquisitions, LLC (8747); Phantom Acquisitions, LLC (6381); Pocomo Productions, LLC (1069); Relative Motion Music, LLC (8016); Relative Velocity Music, LLC (7169); Relativity Development, LLC (5296); Relativity Film Finance II, LLC (9082); Relativity Film Finance III, LLC (8893); Relativity Film Finance, LLC (2127); Relativity Films, LLC (5464); Relativity Foreign, LLC (8993); Relativity India Holdings, LLC (8921); Relativity Jackson, LLC (6116); Relativity Media Distribution, LLC (0264); Relativity Media Films, LLC (1574); Relativity Music Group, LLC (9540); Relativity Production LLC (7891); Relativity Rogue, LLC (3333); Relativity Senator, LLC (9044); Relativity Sky Land Asia Holdings, LLC (9582); Relativity TV, LLC (0227); Reveler Productions, LLC (2191); RML Acquisitions I, LLC (9406); RML Acquisitions II, LLC (9810); RML Acquisitions III, LLC (9116); RML Acquisitions IV, LLC (4997); RML Acquisitions IX, LLC (4410); RML Acquisitions V, LLC (9532); RML Acquisitions VI, LLC (9640); RML Acquisitions VII, LLC (7747); RML Acquisitions VIII, LLC (7459); RML Acquisitions X, LLC (1009); RML Acquisitions XI, LLC (2651); RML Acquisitions XII, LLC (4226); RML Acquisitions XIII, LLC (9614); RML Acquisitions XIV, LLC (1910); RML Acquisitions XV, LLC (5518); RML Bronze Films, LLC (8636); RML Damascus Films, LLC (6024); RML Desert Films, LLC (4564); RML Documentaries, LLC (7991); RML DR Films, LLC (0022); RML Echo Films, LLC (4656); RML Escobar Films LLC (0123); RML Film Development, LLC (3567); RML Films PR, LLC (1662); RML Hector Films, LLC (6054); RML Hillsong Films, LLC (3539); RML IFWT Films, LLC (1255); RML International Assets, LLC (1910); RML Jackson, LLC (1081); RML Kidnap Films, LLC (2708); RML Lazarus Films, LLC (0107); RML Nina Films, LLC (0495); RML November Films, LLC (9701); RML Oculus Films, LLC (2596); RML Our Father Films, LLC (6485); RML Romeo and Juliet Films, LLC (9509); RML Scripture Films, LLC (7845); RML Solace Films, LLC (5125); RML Somnia Films, LLC (7195); RML Timeless Productions, LLC (1996); RML Turkeys Films, LLC (8898); RML Very Good Girls Films, LLC (3685); RML WIB Films, LLC (0102); Rogue Digital, LLC (5578); Rogue Games, LLC (4812); Roguelife LLC (3442); Safe Haven Productions, LLC (6550); Sanctum Films, LLC (7736); Santa Claus Productions, LLC (7398); Smith Point Productions, LLC (9118); Snow White Productions, LLC (3175); Spy Next Door, LLC (3043); Story Development, LLC (0677); Straight Wharf Productions, LLC (5858); Strangers II, LLC (6152); Stretch Armstrong Productions, LLC (0213); Studio Merchandise, LLC (5738); Summer Forever Productions, LLC (9211); The Crow Productions, LLC (6707); Totally Interns, LLC (9980); Tribes of Palos Verdes Production, LLC (6638); Tuckernuck Music, LLC (8713); Tuckernuck Publishing, LLC (3960); Wright Girls Films, LLC (9639); Yuma, Inc. (1669); Zero Point Enterprises, LLC (9558). The location of the Debtors' corporate headquarters is: 9242 Beverly Blvd., Suite 300, Beverly Hills, CA 90210.

I, Matthew R. Niemann, state the following:

1. I am a Managing Director of Houlihan Lokey Capital, Inc. ("**Houlihan Lokey**"), a financial advisory firm that maintains offices at 10250 Constellation Boulevard, 5th Floor, Los Angeles, California 90067. Houlihan Lokey has been retained by the Debtors as their financial advisors in these Chapter 11 Cases.

2. I am submitting this declaration (the "**Declaration**") in support of the *Plan Proponents' Third Amended Plan of Reorganization of the Debtors and Debtors in Possession*, dated January 30, 2016 (Docket No. 1499) (as amended or modified, the "Plan")[2/] and the *Debtors' (I) Memorandum of Law in Support of Confirmation of Third Amended and Restated Plan and (II) Omnibus Reply to Objections with Respect to Plan and Related Proceedings*, dated January 28, 2016.

3. I have firsthand knowledge of the matters set forth herein. Except as otherwise indicated, all statements set forth herein are based upon information of which I became aware throughout the course of Houlihan Lokey's involvement with the Debtors, both prior and subsequent to our engagement as the Debtors' financial advisors, as well as discussions with the Debtors' senior management, counsel and other advisors, and other stakeholders and their counsel and advisors. Moreover, my opinions set forth herein are derived from my nearly 27 years' experience with financial restructurings, my personal review of information and my reliance upon the work of other professionals at Houlihan Lokey, including colleagues and those individuals who report to me and/or work under my supervision on this engagement.

[2/] All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Plan and the *Second Amended Disclosure Statement for Plan Proponents' Second Amended Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* (Docket No. 1143) (the "**Disclosure Statement**").

4. If called upon as a witness, I could and would competently testify under oath as to the matters set forth in this Declaration. The materials, including the findings, conclusions and opinions set forth herein, are true and accurate to the best of my knowledge as of the date set forth below; provided, that as information is further developed, I reserve the right to modify my findings, conclusions and opinions accordingly.

Qualifications

5. I am a Shareholder and Managing Director with Houlihan Lokey and head the Firm's Western United States Financial Restructuring Group. I have served on the Firm's Management Committee and founded the Firm's Real Estate Restructuring and Investment Banking practices, as well as the Firm's Midwest (Chicago) Financial Restructuring Group. I am also a member of the Board of Directors of William Lyon Homes (NYSE: WLH), one of the largest homebuilders in the Western United States, sit on the Compensation (Chair), Governance and Audit Committees of the Board of Directors and chaired the Pricing Committee for WLH's IPO in May 2013. During my nearly 27 year professional career, I have gained significant experience in capital markets and restructuring transactions as an advisor, investor and attorney. I started my career in 1989 as an attorney with Bryan Cave in St. Louis and later joined PriceWaterhouseCoopers and then Houlihan Lokey in 1999. I also spent three years with Cerberus Capital as a Managing Director and served as Senior Managing Director and Chief Strategic Officer with a Cerberus Capital portfolio company, GMAC Rescap.

6. I hold a law and finance degree from St. Louis University, where I served on the Law Review. I was a guest lecturer for five years at the Kellogg Graduate School of Management at Northwestern University in Chicago, a Member of the Ph.D. Dissertation Committee, Webster University in St. Louis, registered with FINRA (Series 7 and 63) and have

been recognized by the K&A Registry as one of the leading restructuring investment bankers in the United States. I have served on the Board of Directors and Executive Committee as Treasurer of the St. Louis Oncology Centers (dba Ronald McDonald Houses of Greater St. Louis) and Our Holy Redeemer Catholic Parish Council and School Board, serving as Treasurer.

7. I have been involved as a principal or advisor in a wide range of transactions throughout my career, including numerous chapter 11 cases, including, Molycorp, Inc., General Growth Properties Inc., Residential Capital, LLC, Erickson Retirement Communities, The Kushner-Locke Company, St. Vincent's Medical Centers, Farmland Industries, Inc., Interstate Bakeries, USG Corporation, Dairy Mart Convenience Stores, Inc., Norwood Promotional Products, FV Steel and Wire Company, ALCO Stores, Inc., DDi Corp., InterDent, Inc., Petsec Energy, Inc., The National Benevolent Association, Bugle Boy Industries, StairMaster Sports/Medical, Inc., Allied/Federated, Interco, Edison Brothers Department Stores, Wickes Lumber, Gateway Apparel, Inc. and other Chapter 11 cases and out-of-court transactions across a wide range of industries. I have been certified as an expert financial witness in Chapter 11 proceedings in numerous cases over the last twenty years.

8. Houlihan Lokey is a publicly traded (NYSE: HLI), internationally recognized investment banking and financial advisory firm, with eighteen offices worldwide and more than 1,000 professionals. Houlihan Lokey's Financial Restructuring Group, which has more than 170 professionals, is one of the leading advisors and investment bankers to debtors, unsecured and secured creditors, acquirers, and other parties-in-interest involved with financially troubled companies both in and outside of bankruptcy.

<u>Houlihan Lokey's Engagement Background & Overview of Team</u>

9. The scope of Houlihan Lokey's engagement on behalf of the Debtors is set forth more fully in the engagement letter attached as <u>Exhibit A</u> to the *Declaration of Michael Krakovsky in Support of the Debtors' Application for Entry of An Order Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Investment Banker and Financial Advisor to the Debtors nunc pro tunc to November 25, 2015* (Docket No. 1172, Exhibit 1) (the "**Krakovsky Declaration**"). Mr. Krakovsky is a member of our Financial Restructuring Group in Los Angeles. He reports directly to me, and I would adopt the statements set forth in the Krakovsky Declaration as my own testimony.

10. Houlihan Lokey and the personnel who are assigned to this engagement have a deep understanding of the Debtors' business from work performed both before and after our formal engagement in this case. As more fully set forth in the Krakovsky Declaration, Houlihan Lokey and members of our Technology, Media & Telecom Group have provided professional services to the Debtors and other stakeholders over the last several years. Then, beginning in September 2015, Houlihan Lokey advised the Debtors' Chief Executive Officer and Plan Proponent under the Plan, Mr. Ryan Kavanaugh, on behalf of and for the benefit of the Debtors and their estates, in evaluating the potential for and feasibility of implementing a plan of reorganization that would maximize value of the Debtors' estates for all stakeholders and as an alternative to a sale of substantially all of the Debtors' assets. Over the course of these Chapter 11 Cases, Houlihan Lokey has worked closely with the Debtors' management and their other professionals and is well-acquainted with the Debtors' capital structure, liquidity needs and business operations.

11. In addition to me, the principal senior professionals who have been responsible for the provision of our professional services to the Debtors are Marni Wieshofer (Managing Director in our Technology, Media & Telecom Group), Michael Krakovsky (Director in our Financial Restructuring Group), Jorge Villen Marin (Senior Vice President in our Financial Restructuring Group) and Aaron Wizenfeld (Vice President in our Technology, Media & Telecom Group). Prior to joining Houlihan Lokey, Ms. Wieshofer was a Managing Director at MESA Securities, where she spearheaded an array of investment banking, strategy and valuation engagements for companies throughout the media space, including the pre-petition Debtors (and Mr. Wizenfeld worked with Ms. Wieshofer on these engagements). Houlihan Lokey acquired MESA Securities in June 2015.

12. In addition to our work as described below, Houlihan Lokey also prepared and submitted to the Court an Expert Valuation Report, dated November 25, 2015, that was certified by Ms. Wieshofer, a conforming copy of which is being filed with the Court under seal contemporaneously herewith. I have reviewed this report and would rely upon it with respect to the matters set forth therein.

The Plan Satisfies the Feasibility Requirements
<u>of Section 1129(a)(11) of the Bankruptcy Code</u>

13. I understand that, pursuant to section 1129(a)(11) of the Bankruptcy Code, the Plan may be confirmed only if "[c]onfirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan."

14. To assess whether the Plan is feasible and whether the Reorganized Debtors will be financially viable entities on a prospective basis, Houlihan Lokey assisted the Debtors in reviewing and developing the Debtors' projections, including the Reorganized Debtors' projected

income and cash flow statements, release schedule, pro forma capitalization and certain other financial projections for the period of February 1, 2016 through December 31, 2018 (the "**Financial Projections**"), attached to this Declaration as Exhibit A. Houlihan Lokey assisted the Debtors in preparing the Financial Projections based on information provided by the Debtors' management and members of their finance and business planning teams.

15. The Financial Projections are based on the Debtors' three-year strategic business plan (the "**Business Plan**"), which was formulated, refined and validated by the Debtors' management. The Financial Projections were formulated using the same methodology as the prospective financial information attached as Exhibit B to the Disclosure Statement. Since the Disclosure Statement was filed, the Debtors' Business Plan has changed in certain respects as a result of various changes to the post-emergence business, transactions that have or have not occurred since the filing of the Disclosure Statement, and transactions that are contemplated to occur prior and subsequent to the confirmation of the Plan. For example, as set forth more fully in the declaration of Mr. Dana Brunetti, which I have reviewed and is being filed concurrently herewith, upon emergence Relativity Media LLC ("**Relativity Media**") will be employing the two producing partners of Trigger Street Productions, Mr. Kevin Spacey and Mr. Brunetti, as Chairman and President, respectively. As I have confirmed in discussions with Mr. Brunetti, together Messrs. Spacey and Brunetti will oversee all motion picture, television and other content for Relativity Media; and they will jointly possess "greenlight" authority (i.e., full control over the studio’s creative content and distribution).

16. There are also several unreleased films that are relevant to the success of the Plan, including those related to RKA's and CIT's liens: *Masterminds* and *The Disappointments Room*, as well as *Kidnap*, *Before I Wake*, *Shot Caller* and *Solace*. Although these films have not yet

been released, they are either fully complete or materially completed and ready for release. The Plan contemplates that these films will be released in a staggered format over the coming months and have been factored into the Financial Projections.

17. Based on Houlihan Lokey's review of the Financial Projections, and assuming that the operations of the Debtors perform reasonably consistent with the Financial Projections, and that the Debtors successfully close the financing transactions contemplated both prior and subsequent to the confirmation of the Plan, it is my opinion that the Reorganized Debtors will have sufficient liquidity to fund obligations as they arise through the projection period under the Financial Projections. Specifically, the Financial Projections indicate that, after giving effect to confirmation and consummating all restructurings and transactions contemplated by the Plan (and subject to the reasonable limitations and assumptions described in the Financial Projections and elsewhere in the Disclosure Statement), the Reorganized Debtors will have and will maintain sufficient liquidity and capital resources to meet their future financial obligations during the projection period. As is the case with any projections, actual performance will necessarily deviate from the projected financial results set forth in the Financial Projections; however, it is my opinion, based on my review and my reliance upon the members of Technology, Media & Telecom Group's experience with media companies, such as the Debtors, that the Financial Projections have been reasonably developed and can be relied upon by a reasonable investor insofar as the prospects for the future performance of the Reorganized Debtors' businesses.

18. The Debtors entered Chapter 11 with over $800 million in secured and unsecured debt (excluding the debtor in possession financing procured post-petition by the Debtors and including unsecured trade debt). The Plan provides the Debtors with a significantly deleveraged balance sheet as compared with the pre-petition Debtors' balance sheet and the Debtors'

businesses have been significantly altered due to the sale of the Debtors' unscripted television business, among other operational and financial changes.

19. As set forth in the declaration of Mr. Joseph Nicholas in support of confirmation, which is being filed concurrently herewith (the "**Nicholas Declaration**"), Mr. Nicholas has attested that he (i) has identified funding sources of at least $150 million which the Debtors will be able to rely upon in order to emerge from Chapter 11, and (ii) understands that Relativity has entered into an agreement with EMP/Aperture to act as co-arrangers for a $150 million non-recourse borrowing base facility with collateral from the Debtors' "Ultimates" to be utilized for working capital, which the Debtors anticipate procuring shortly after emergence from Chapter 11. As reflected in the Financial Projections, the $150 million "Ultimates" facility will be sufficient to bridge the Debtors through fiscal 2017, and position the Debtors such that they would upsize the facility to cover the additional $42.2 million in Ultimates funding projected in fiscal 2018. Moreover, as stated in the Nicholas Declaration, the Debtors' Financial Projections contemplate that an additional $100 million in equity will be raised post-emergence ($50 million in the months immediately following emergence and another $50 million in the middle of 2017). On the assumption that binding commitments memorializing the foregoing financing as stated in the Nicholas Declaration are procured such that the Debtors achieve the levels of financing contemplated therein, such financing will provide sufficient liquidity to support the Financial Projections.

20. For all of the foregoing reasons, and presuming that the assumptions set forth herein and in the Financial Projections are achieved, I believe that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 30th day of January, 2016 at Los Angeles, California.

Matthew R. Niemann

EXHIBIT A

Model Assumptions Dashboard

Pre-Release Revolving P&A Payment Terms Assumptions

Pre-Release Revolving P&A Payment Terms	Y
Credit Terms (Months)	(3.0)
Interest Rate	10.0%
Drawdown Availability (% of P&A Budget)	
1 Month Before Release	40%
2 Months Before Release	30%

Term Loan Assumptions

($ in thousands)

Term Loan Issued	Y
Interest Rate	10.0%
Amount	$60,000
Term	2 Years
Amortization	N
Date of Refinancing with Non-Recourse Ultimates Facility	4/30/2016

Pre-Release RKA Facilities Assumptions

($ in thousands)

Interest Rate	6.25%
RKA Beginning Balances (as of 12/31/15)	
Masterminds	$28,657
Before I Wake (Somnia)	21,366
Kidnap	15,046
Disappointments Room	18,675

Vendor Advance [1]

($ in thousands)

Amount	$20,000
Interest Rate	7.0%

Non-Recourse Ultimates Facility Assumptions

Borrowing Base (Film Studio)	
Pay TV Advance Rate	90.0%
Home Entertainment / PPV Advance Rate	90.0%
Free TV Advance Rate	90.0%
Discount Rate	10.0%
Borrowing Base (Film Library)	
Advance Rate	90.0%
Library Credit Advance Rate	40.0%
Library Credit	10.0%
Discount Rate	10.0%
Initial Draw	
Weekend Opening Box Office / TBO	30.0%
Multiple of Weekend Opening Box Office	2.0x
Cap at % of P&A Amount	110.0%
Drawdown Availability (Months to Release)	0.0
OID	3.0%
Interest Rate (L + 1100) (PIK)	12.0%
Commitment Fees	3.0%

3 Year Modeling Financing Assumptions

($ in thousands)

Pre-Release Revolving P&A Payment Terms	$60,000
Vendor Advance[1]	20,000
Term Loan	60,000
Non-Recourse Ultimates Facility	150,000
Equity Raises[2]	131,000
Convertible Preferred	5,000
Asset Sale	7,500
Film Equity Financing	100,000

Sources and Uses at Emergence (February 1, 2016)

Sources	
Term Loan	$60,000
Cash on Balance Sheet	5,648
Equity Raise	20,000
Vendor Advance[1]	20,000
Convertible Preferred	5,000
Total Sources	**$110,648**
Uses	
Full Repayment of New DIP Facility	$35,000
Transaction Fees & Cure Payments	25,000
Cash to Balance Sheet	24,014
Post-Release P&A Facility	26,634
Total Uses	**$110,648**

Note: All Per RML Management.
(1) To be repaid plus accrued interest from Film Studio Domestic Home Entertainment and PPV / VOD revenues net of distribution fees and domestic HV costs.
(2) Includes a $10mm equity backstop from Carey Metz, to be funded after 90 days of emergence (if required by Company).

	SUMMARY OF OPERATING RESULTS ($ in millions)	Feb + Mar 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2016	FY 2017	FY 2018
1	**Total Revenue**	**$40.7**	**$70.5**	**$103.1**	**$118.5**	**$133.7**	**$197.4**	**$142.7**	**$195.2**	**$332.8**	**$669.0**	**$821.8**
2	**Gross Margin**	**($3.5)**	**($2.9)**	**($9.7)**	**$5.8**	**$19.2**	**$25.7**	**$36.4**	**$9.9**	**($10.3)**	**$91.2**	**$201.1**
3	**Total Overhead[1]**	**(6.3)**	**(8.6)**	**(8.6)**	**(8.6)**	**(9.4)**	**(9.4)**	**(9.4)**	**(9.4)**	**(32.0)**	**(37.7)**	**(38.9)**
4	**EBITDA (Before Minority Interest)**	**($9.8)**	**($11.4)**	**($18.3)**	**($2.7)**	**$9.8**	**$16.2**	**$27.0**	**$0.5**	**($42.2)**	**$53.5**	**$162.2**
5	Less: Minority Interest (Relativity China)	(0.2)	(0.3)	(0.3)	(0.3)	(1.0)	(1.0)	(1.0)	(1.0)	(1.3)	(4.0)	(19.6)
6	**EBITDA (After Minority Interest)**	**($10.0)**	**($11.8)**	**($18.6)**	**($3.0)**	**$8.8**	**$15.3**	**$26.0**	**($0.5)**	**($43.5)**	**$49.5**	**$142.6**

	CAPITALIZATION SUMMARY* ($ in millions)	Opening as of Feb.1 2016	Feb + Mar 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2016	FY 2017	FY 2018
7	Cash	$24.0	$27.0	$40.8	$64.1	$26.8	$76.1	$86.4	$96.7	$105.2	$26.8	$105.2	$179.2
8	Term Loan	$60.0	$46.9	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
9	BidCo Note	60.0	60.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	--
10	**Total Debt (Recourse)**	**$120.0**	**$106.9**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$ --**
11	Non-Recourse Ultimates Facility	$ --	$ --	$57.4	$53.6	$57.2	$68.9	$81.2	$77.6	$95.7	$57.2	$95.7	$115.9
12	Non-Recourse Ultimates Facility (Initial Draw)	--	26.9	48.5	73.5	55.6	37.7	36.2	23.9	45.2	55.6	45.2	76.3
13	Pre-Release RKA Facilities	83.7	85.1	86.4	87.8	89.1	86.9	80.0	66.6	59.5	89.1	59.5	54.3
14	Pre-Release Revolving P&A Payment Terms	--	43.8	16.8	49.7	28.7	49.0	14.0	49.5	27.5	28.7	27.5	51.1
15	Secured Guilds Claims	3.0	3.0	3.0	3.0	--	--	--	--	--	--	--	--
16	Deferred Payments	26.0	19.5	13.0	6.5	--	--	--	--	--	--	--	--
17	Convertible Preferred	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
18	**Total Debt (Non-Recourse)**	**$117.7**	**$183.3**	**$230.1**	**$278.9**	**$235.6**	**$247.4**	**$216.3**	**$222.6**	**$232.9**	**$235.6**	**$232.9**	**$302.6**
19	**Total Debt**	**$237.7**	**$290.1**	**$260.1**	**$308.9**	**$265.6**	**$277.4**	**$246.3**	**$252.6**	**$262.9**	**$265.6**	**$262.9**	**$302.6**
20	**Net Debt**	**$213.7**	**$263.2**	**$219.3**	**$244.8**	**$238.8**	**$201.3**	**$159.9**	**$155.8**	**$157.6**	**$238.8**	**$157.6**	**$123.4**
21	Equity[1]	$20.0	$20.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0
22	Additional Equity Raised	--	--	51.0	61.0	61.0	111.0	111.0	111.0	111.0	61.0	111.0	111.0
23	**Total Capitalization**	**$257.7**	**$310.1**	**$317.1**	**$375.9**	**$332.6**	**$394.4**	**$363.3**	**$369.6**	**$379.9**	**$332.6**	**$379.9**	**$419.6**
24	*Total Debt / EBITDA (Before Minority Interest)*		*NM*	*NM*	*NM*	*NM*	*7.1x*	*3.8x*	*2.3x*	*NM*	*NM*	*4.9x*	*1.9x*
25	*Net Debt / EBITDA (Before Minority Interest)*		*NM*	*NM*	*NM*	*NM*	*5.1x*	*2.5x*	*1.4x*	*NM*	*NM*	*2.9x*	*0.8x*

*See assumptions tab for further opening balance information

(1) Includes litigation expenses totaling $2.0 million.

(2) Q2 2016 includes repayment of $14 million equity advance from Joe Nicholas.

	PROJECTED INCOME STATEMENT ($ in millions) (Includes Non-Wholly Owned Businesses)	Feb + Mar 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2016	FY 2017	FY 2018
	Revenue											
1	Film Studio & Film Library[1]	$40.4	$63.5	$87.3	$109.2	$115.5	$186.7	$114.2	$181.2	$300.4	$597.5	$715.5
2	Digital / Madvine	--	6.4	12.7	6.2	15.1	7.6	23.1	8.6	25.3	54.2	78.2
3	Scripted Television & Music	0.3	0.5	3.1	3.1	3.2	3.2	5.5	5.5	7.1	17.3	28.1
4	**Total Revenue**	**$40.7**	**$70.5**	**$103.1**	**$118.5**	**$133.7**	**$197.4**	**$142.7**	**$195.2**	**$332.8**	**$669.0**	**$821.8**
5	**Expenses**											
6	Film Studio & Film Library[1]	($44.2)	($68.2)	($104.0)	($107.0)	($105.2)	($166.2)	($96.3)	($178.5)	($323.4)	($546.2)	($583.1)
7	Digital / Madvine	--	(5.0)	(8.8)	(5.5)	(9.2)	(5.4)	(9.9)	(6.7)	(19.3)	(31.3)	(37.3)
8	Scripted Television & Music	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)	(0.4)
9	**Total Expenses**	**($44.2)**	**($73.3)**	**($112.9)**	**($112.6)**	**($114.5)**	**($171.7)**	**($106.3)**	**($185.3)**	**($343.0)**	**($577.8)**	**($620.7)**
10	**Gross Margin**	**($3.5)**	**($2.9)**	**($9.7)**	**$5.8**	**$19.2**	**$25.7**	**$36.4**	**$9.9**	**($10.3)**	**$91.2**	**$201.1**
11	Corporate Overhead[2]	($5.5)	($7.6)	($7.6)	($7.6)	($7.9)	($7.9)	($7.9)	($7.9)	($28.4)	($31.4)	($32.5)
12	Development Costs	(0.6)	(0.6)	(0.6)	(0.6)	(1.3)	(1.3)	(1.3)	(1.3)	(2.5)	(5.0)	(5.0)
13	Relativity China Overhead	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(1.1)	(1.3)	(1.5)
14	**Total Overhead**	**($6.3)**	**($8.6)**	**($8.6)**	**($8.6)**	**($9.4)**	**($9.4)**	**($9.4)**	**($9.4)**	**($32.0)**	**($37.7)**	**($38.9)**
15	**EBITDA (Before Minority Interest)**	**($9.8)**	**($11.4)**	**($18.3)**	**($2.7)**	**$9.8**	**$16.2**	**$27.0**	**$0.5**	**($42.2)**	**$53.5**	**$162.2**
16	Less: Minority Interest (Relativity China)	$0.2	$0.3	$0.3	$0.3	$1.0	$1.0	$1.0	$1.0	$1.3	$4.0	$19.6
17	**EBITDA (After Minority Interest)**	**($10.0)**	**($11.8)**	**($18.6)**	**($3.0)**	**$8.8**	**$15.3**	**$26.0**	**($0.5)**	**($43.5)**	**$49.5**	**$142.6**

(1) Includes Relativity China.

(2) Includes litigation expenses totaling $2.0 million.

	SUMMARY OF CASH FLOW FOR DEBT ($ in millions)	Feb + Mar 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2016	FY 2017	FY 2018
1	**Cash**											
1	Beginning	$24.0	$27.0	$40.8	$64.1	$26.8	$76.1	$86.4	$96.7	$24.0	$26.8	$105.2
2	Total Cash Available from Operations	9.5	13.3	19.8	(27.9)	(0.7)	10.3	10.3	8.5	14.8	28.4	103.9
3	Less: Debt Repayment	(6.5)	(36.5)	(6.5)	(9.5)	--	--	--	--	(59.0)	--	(30.0)
4	Plus: Additional Equity Raise[1]	--	37.0	10.0	--	50.0	--	--	--	47.0	50.0	--
6	**Ending**	**$27.0**	**$40.8**	**$64.1**	**$26.8**	**$76.1**	**$86.4**	**$96.7**	**$105.2**	**$26.8**	**$105.2**	**$179.2**
7	Debt Repayment											
8	BidCo Note	$ --	($30.0)	$ --	$ --	$ --	$ --	$ --	$ --	($30.0)	$ --	($30.0)
9	Secured Guilds Claims	--	--	--	(3.0)	--	--	--	--	(3.0)	--	--
10	Deferred Payments	(6.5)	(6.5)	(6.5)	(6.5)	--	--	--	--	(26.0)	--	--
11	Total Debt Repayment	($6.5)	($36.5)	($6.5)	($9.5)	$ --	$ --	$ --	$ --	($59.0)	$ --	($30.0)

	DEBT (Excludes New Facilities) ($ in millions)	Feb + Mar 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2016	FY 2017	FY 2018
1	**BidCo Note**											
2	Beginning	$60.0	$60.0	$30.0	$30.0	$30.0	$30.0	$30.0	$30.0	$60.0	$30.0	$30.0
3	Repayment from Non-Recourse Ultimates Facility	--	(20.5)	--	--	--	--	--	--	(20.5)	--	--
4	Repayment from Equity Raise Proceeds	--	(9.5)	--	--	--	--	--	--	(9.5)	--	--
5	Remaining Mandatory Repayment	--	--	--	--	--	--	--	--	--	--	(30.0)
17	**Ending**	**$60.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$30.0**	**$ --**
1	**Secured Guilds Claims**											
2	Beginning	$3.0	$3.0	$3.0	$3.0	$ --	$ --	$ --	$ --	$3.0	$ --	$ --
3	Repayment	--	--	--	(3.0)	--	--	--	--	(3.0)	--	--
21	**Ending**	**$3.0**	**$3.0**	**$3.0**	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**
1	**Deferred Payments**											
2	Beginning	$26.0	$19.5	$13.0	$6.5	$ --	$ --	$ --	$ --	$26.0	$ --	$ --
3	Repayment	(6.5)	(6.5)	(6.5)	(6.5)	--	--	--	--	(26.0)	--	--
25	**Ending**	**$19.5**	**$13.0**	**$6.5**	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**

(1) Q2 2016 includes repayment of $14 million equity advance from Joe Nicholas.

Film
Release Schedule
($ in thousands)

Film	Title	Release Date*	Total Lifetime Revenue[1]	Distribution Costs[2]	Net Production Profit[3]
1	Disappointments Room	Mar-16	$72,621	($61,092)	-
2	Before I Wake (Somnia)	Apr-16	64,062	(44,515)	-
3	Kidnap	May-16	93,027	(60,282)	-
4	Solace	Aug-16	37,820	(30,738)	-
5	Masterminds	Sep-16	130,090	(83,119)	-
6	Shot Caller	Oct-16	47,813	(44,305)	-
7	Strangers 2	Dec-16	60,394	(53,667)	3,329
8	Not Without Hope	Feb-17	98,659	(84,614)	7,070
9	Hunter Killer	Apr-17	143,467	(118,665)	-
10	Act of Valor: SWAT	May-17	91,197	(84,903)	1,918
11	TBD Acquisition 1	Sep-17	56,760	(43,267)	-
12	High Noon	Oct-17	98,659	(84,614)	7,070
13	TBD Acquisition 2	Nov-17	56,760	(41,870)	-
14	TBD Acquisition 3	Dec-17	56,760	(41,870)	-
15	Immortals 2	Mar-18	162,437	(132,108)	14,487
16	TBD 2018 1 (Not Without Hope Model)	Apr-18	98,659	(80,360)	7,070
17	TBD 2018 2 (Hunter Killer Model)	Apr-18	143,467	(114,853)	-
18	TBD 2018 3 (Act of Valor:SWAT Model)	May-18	91,197	(82,656)	1,918
19	TBD 2018 4 (TBD Acquisition 1 Model)	Jun-18	56,760	(41,870)	-
20	TBD 2018 5 (High Noon Model)	Sep-18	98,659	(82,061)	7,070
21	TBD 2018 6 (TBD Acquisition 2 Model)	Dec-18	56,760	(41,870)	-
22	TBD 2018 7 (Immortals 2 Model)	Dec-18	162,437	(132,108)	14,487

** Mid-month releases are included at end of month for modeling purposes*

Note: Release schedule per management.

(1) Includes first cycle revenues (theatrical, home entertainment, Pay TV, PPV, Free TV and other revenue) and library value.

(2) Includes P&A, third-party distribution fees, participations, residuals, third-party shares and other costs.

(3) Film budget net of equity, pre-sales, overages, foreign excess collateral and soft money; for completed films all net production costs incurred prior to exit.

Pro-Forma Capitalization Table

($ in thousands)	October 20, 2015	Non Cash Reduction ($)	Cash In / (Cash Out) ($)	Post Closing October 21, 2015	Non Cash Reduction ($)	Interim Period Cash Flow	Cash In / (Cash Out) ($)	Post Emergence February 1, 2016
Cash to Balance Sheet[1]	$10,204		--	$10,204		(4,556)	18,366	$24,014
Cash Collateral	$27,550			$27,550		10,100	37,650	$ --
Debt								
Holdco Debt								
Existing DIP Facility[2]	$49,500	(14,500)	--	$35,000	--	--	(35,000)	$ --
Term Loan A & B	374,500	(125,000)	--	249,500	(189,500)	--	--	60,000
Term Loan[3]	--	--	--	--	--	--	60,000	60,000
Total Term Loans	$374,500	(125,000)	--	$249,500	(189,500)	--	60,000	$120,000
Elliott Subordinated Debt	$138,900	--	--	$138,900	(138,900)	--	--	$ --
Total Secured Facilities	**$562,900**	**(139,500)**	**--**	**$423,400**	**(328,400)**	**--**	**25,000**	**$120,000**
Asset Level Debt								
Pre-Release P&A Facility								
Lazarus Effect	$1,259	--	--	$1,259	--	--	--	$1,259
Masterminds	28,657	--	--	28,657	--	--	--	28,657
Before I Wake	21,366	--	--	21,366	--	--	--	21,366
Kidnap	15,046	--	--	15,046	--	--	--	15,046
Disappointments Room	18,675	--	--	18,675	--	--	--	18,675
Total Pre-Release P&A Facility	$85,003	--	--	$85,003	--	--	--	$85,003
Post-Release P&A Facility								
Beyond the Lights	$3,181	--	--	$3,181	--	--	(3,181)	$ --
Woman in Black 2	13,078	--	--	13,078	--	--	(13,078)	--
Lazarus Effect	10,376	--	--	10,376	--	--	(10,376)	--
Total Post-Release P&A Facility	$26,634	--	--	$26,634	--	--	(26,634)	$ --
Total P&A Facilities	$111,638	--	--	$111,638	--	--	(26,634)	$85,003
Production Loans [4]								
Masterminds	$21,707	--	--	$21,707	--	(5,659)	--	$16,048
Disappointments Room	12,316	--	--	12,316	--	(2,690)	--	9,626
Total Production Loans	$34,023	--	--	$34,023	--	(8,349)	--	$25,674
Vine/Verite								
Yuma	$37,226	(37,226)	--	$ --	--	--	--	$ --
Forbidden Kingdom	32,769	(32,769)	--	--	--	--	--	--
Bank Job	9,775	(9,775)	--	--	--	--	--	--
Total Vine/Verite Loans	$79,770	(79,770)	--	$ --	--	--	--	$ --
Ultimates Facility (CIT)[5]	$28,726	--	--	$28,726	--	2,274	(31,000)	$ --
New Ultimates Facility	--	--	--	--	--	--	--	--
Total Ultimates Facilities	$28,726	--	--	$28,726	--	2,274	(31,000)	$ --
Total Asset Level Debt	**$254,157**	**(79,770)**	**--**	**$174,387**	**--**	**(6,075)**	**(57,634)**	**$110,677**
Vendor Debt & General Unsecured	$82,795	--	--	$82,795	(56,795)	--	--	$26,000
Secured Guilds Claims[6]	9,650	--	--	9,650	--	--	(6,650)	3,000
Vendor Advance	--	--	--	--	--	--	20,000	20,000
Total Unsecured Debt	**$92,445**	**--**	**--**	**$92,445**	**(56,795)**	**--**	**13,350**	**$49,000**
Total Debt	**$909,501**	**(219,270)**	**--**	**$690,231**	**(385,195)**	**(6,075)**	**(19,284)**	**$279,677**
Convertible Preferred	$ --	--	--	$ --	--	--	5,000	$5,000
New Equity	--	--	--	--	--	--	20,000	20,000
Total Capitalization[7]	**$909,501**	**(219,270)**	**--**	**$690,231**	**(385,195)**	**(6,075)**	**5,716**	**$304,677**

(1) Cash as of October 20, 2015 and Interim Period Cash Flow per RML management. Excludes cash collateral on account for CIT Ultimates and secured guilds claims. Also excludes cash for professional fees in segregated account.
(2) At close, Elliott purchased the $49.5 million interim DIP in exchange for $35 million. The balance is expected to be repaid at emergence through new equity.
(3) Expected to be refinanced by the Non-Recourse Ultimates Facility.
(4) Opening and closing balances do not include accrued interest and professional fees during the case.
(5) The existing CIT ultimates facility is to be repaid at or before emergence from cash collateral as of October 20, 2015, plus library cash flows received and retained as cash collateral on or before December 9, 2015.
(6) Secured guilds claims of $9.65 million. The $6.65 million of secured residuals is assumed to be paid at or before emergence and the remaining $3.0 million of secured guilds claims is assumed to be paid in Q4 2016.
(7) Represents Total Debt plus New Equity.