
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

SCHEDULE 13E-3

**RULE 13e-3 TRANSACTION STATEMENT UNDER SECTION 13(e)
OF THE SECURITIES EXCHANGE ACT OF 1934
AMENDMENT NO. 2**

STARZ

(Name of the Issuer)

**Starz
Lions Gate Entertainment Corp.
Orion Arm Acquisition Inc.
Dr. John C. Malone**
(Name of Person(s) Filing Statement)

**Series A Common Stock, par value \$0.01 per share and
Series B Common Stock, par value \$0.01 per share**
(Title of Class of Securities)

**Series A common stock: 85571Q102
Series B common stock: 85571Q201**
(CUSIP Number of Class of Securities)

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This statement is filed in connection with (check the appropriate box):

- a. The filing of solicitation materials or an information statement subject to Regulation 14A (17 CFR 240.14a-1 to 240.14b-2), Regulation 14C [17 CFR 240.14c-1 to 240.14c-10] or Rule 13e-3(c) [§240.13e-3(c)] under the Securities Exchange Act of 1934.
- b. The filing of a registration statement under the Securities Act of 1933.
- c. A tender offer.
- d. None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies:

Check the following box if the filing is a final amendment reporting the results of the transaction:

INTRODUCTION

This Amendment No. 2 to this Rule 13e-3 Transaction Statement on Schedule 13E-3, together with the exhibits hereto (as amended, this “Transaction Statement”), is being filed with the Securities and Exchange Commission (the “SEC”) by (a) Starz, a Delaware corporation and the issuer of the Starz common stock that is the subject of the Rule 13e-3 transaction; (b) Lions Gate Entertainment Corp., a corporation organized and existing under the corporate laws of British Columbia (“Lions Gate”); (c) Orion Arm Acquisition Inc., a Delaware corporation and a wholly owned subsidiary of Lions Gate (“Merger Sub”); and (d) Dr. John C. Malone (collectively, the “Filing Persons”).

On June 30, 2016, Lions Gate entered into an Agreement and Plan of Merger (the “merger agreement”) with Starz and Merger Sub. The merger agreement provides that Merger Sub will merge with and into Starz, with Starz continuing as the surviving corporation and becoming an indirect wholly owned subsidiary of Lions Gate (the “merger”).

Under the terms of the merger agreement, immediately prior to consummation of the proposed merger, Lions Gate will effect a reorganization of its outstanding share capital (the “reclassification”), pursuant to which each existing Lions Gate common share, without par value (the “Lions Gate common shares”), will be converted into 0.5 shares of newly issued Class A voting shares, without par value, of Lions Gate (the “Lions Gate voting shares”) and 0.5 shares of newly issued Class B non-voting shares, without par value, of Lions Gate (the “Lions Gate non-voting shares”) and together with the Lions Gate voting shares, the “Lions Gate post-reclassification shares”), subject to the terms and conditions of the merger agreement.

Following the reclassification, in the proposed merger, (a) each share of Starz Series A common stock, par value \$0.01 (the “Starz Series A common stock”), will be converted into the right to receive \$18.00 in cash and 0.6784 Lions Gate non-voting shares, and (b) each share of Starz Series B common stock, par value \$0.01 (the “Starz Series B common stock,” and together with the Starz Series A common stock as the “Starz common stock”), will be converted into the right to receive \$7.26 in cash, 0.6321 Lions Gate non-voting shares and 0.6321 Lions Gate voting shares, in each case, subject to the terms and conditions of the merger agreement and, in each case, except for (i) any shares of Starz common stock held by Lions Gate or any of its wholly owned subsidiaries including Merger Sub, (ii) in the event that the Lions Gate minority approval as defined and required under Ontario Securities Commission Rule 56-501 – *Restricted Shares* or an exemption therefrom is not obtained, Lions Gate will issue Lions Gate non-voting shares issuable to Starz stockholders resident in the province of Ontario in connection with the merger to a trustee who will sell such shares and distribute the proceeds to such Ontario resident Starz stockholders, pursuant to the terms and conditions of the merger agreement and (iii) any shares of Starz common stock held by any Starz stockholder who is entitled to demand and properly demands appraisal of such shares in accordance with Section 262 of the General Corporation Law of the State of Delaware (and who does not fail to perfect or otherwise effectively withdraw their demand or waive or lose the right to appraisal). These exchange ratios are fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger, except in certain limited circumstances reflecting changes to the stock of Lions Gate or Starz.

At the effective time of the merger, upon the terms and subject to the conditions of the merger agreement, outstanding Starz equity awards will be adjusted as follows: (a) each Starz stock option that is outstanding and unexercised immediately prior to the effective time, whether vested or unvested, will be converted into an option, on substantially the same terms and conditions as were applicable to such Starz stock option immediately prior to the effective time (including vesting terms), to purchase the number of Lions Gate non-voting shares (rounded down to the nearest whole share) determined by multiplying the number of shares of Starz common stock subject to the Starz stock option by the equity award exchange ratio, at an exercise price per share determined by dividing the per-share exercise price of the Starz stock option by the equity award exchange ratio and rounding the resulting quotient up to the nearest whole cent; (b) each Starz restricted stock unit award that is outstanding immediately prior to the effective time will be converted into a restricted stock unit award (subject to vesting, repurchase or other lapse restrictions), on the same terms and conditions as were applicable to such Starz restricted stock unit award immediately prior to the effective time (including time- and performance-based vesting terms), relating to the number of Lions Gate non-voting shares determined by multiplying the number of shares of Starz common stock subject to the Starz restricted stock unit award immediately prior to the effective time by the equity award exchange

ratio, rounded to the nearest whole share; and (c) each Starz restricted stock award that is outstanding immediately prior to the effective time will be converted into a restricted stock award (subject to vesting, repurchase or other lapse restrictions), on the same terms and conditions as were applicable to such Starz restricted stock award immediately prior to the effective time (including vesting terms), relating to the number of Lions Gate non-voting shares determined by multiplying the number of shares of Starz common stock subject to the Starz restricted stock award immediately prior to the effective time by the equity award exchange ratio, rounded to the nearest whole share.

Concurrently with the filing of this Transaction Statement, Lions Gate is filing with the SEC Amendment No. 4 to its registration statement on Form S-4 (Registration No. 333-212792), which includes a joint proxy statement/prospectus of Lions Gate and Starz (the "joint proxy statement/prospectus") relating to the special meeting of Lions Gate common shareholders and the special meeting of Starz common stockholders.

At the special meeting of Lions Gate common shareholders, Lions Gate common shareholders will be asked to consider and vote upon (1) a series of four proposals to implement the reclassification (collectively, the "Lions Gate reclassification proposals"); (2) a proposal to approve the issuance of Lions Gate non-voting shares and Lions Gate voting shares to holders of Starz Series A common stock and Starz Series B common stock in connection with the merger agreement (the "Lions Gate merger issuance proposal"); (3) a proposal to approve the issuance of Lions Gate common shares to John C. Malone, Robert R. Bennett and certain of their respective affiliates (collectively the "M-B stockholders"), in connection with the stock exchange agreement, dated as of June 30, 2016 (the "exchange agreement"), by and between Lions Gate, Merger Sub and the M-B stockholders, pursuant to which, if the merger agreement is terminated (a) by Lions Gate because the Starz board of directors changes its recommendation in favor of the transactions contemplated by the merger agreement, (b) by Starz in order to enter into a superior transaction or (c) by either party because Starz's stockholders fail to approve the Starz merger proposal (as defined within this joint proxy statement/prospectus), then the M-B stockholders will sell to Merger Sub all shares of Starz Series B common stock held by them (the "Lions Gate exchange issuance proposal"); (4) a proposal to approve all issuances by Lions Gate of New Issue Securities (as defined in the investor rights agreement, dated as of November 10, 2015 and amended as of June 30, 2016 (the "investor rights agreement"), by and among Lions Gate and certain of its stockholders, including Liberty Global plc ("LGP"), Discovery Communications, Inc. ("Discovery"), MHR Fund Management, LLC ("MHR") and certain of their respective affiliates), to LGP, Discovery and MHR in connection with their exercise of preemptive rights of first offer under the investor rights agreement during the five-year period following the receipt of such stockholder approval (the "Lions Gate preemptive rights proposal"); (5) a proposal to approve the amendment of the Articles of Lions Gate to extend indemnities currently provided for in the Articles of Lions Gate in favor of directors and former directors of Lions Gate to also apply to officers and former officers of Lions Gate (the "Lions Gate indemnity proposal"); and (6) a proposal to approve the adjournment of the Lions Gate special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Lions Gate merger issuance proposal and each of the Lions Gate reclassification proposals if there are insufficient votes at the time of such adjournment to approve such proposals (the "Lions Gate adjournment proposal"). Approval of each of the Lions Gate reclassification proposals by Lions Gate shareholders, and consummation of the reclassification by Lions Gate, are conditions to the closing of the merger. In addition, approval of the Lions Gate merger issuance proposal by Lions Gate shareholders is a condition to the closing of the merger. Approval of the Lions Gate exchange issuance proposal, the Lions Gate preemptive rights proposal, the Lions Gate indemnity proposal and the Lions Gate adjournment proposal are not conditions to the consummation of the merger. The Lions Gate merger issuance proposal is conditioned on the approval of each of the Lions Gate reclassification proposals, and each of the Lions Gate reclassification proposals are conditioned on the approval of the Lions Gate merger issuance proposal, but no other proposal is conditioned on the approval of any other proposal. The reclassification will occur immediately prior to completion of the merger only if all other conditions to the merger have been satisfied, and the merger will only occur if the reclassification occurs. The exchange will not occur if the merger occurs.

At the special meeting of Starz common stockholders, Starz common stockholders will be asked to consider and vote upon the proposals to (1) approve the adoption of the merger agreement (the "Starz merger proposal"); (2) approve, by advisory (nonbinding) vote, the compensation that may be paid or become payable to the named executive officers of Starz in connection with the merger (the "Starz compensation proposal"); and (3) approve the adjournment of the Starz special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Starz merger proposal, if there are insufficient votes at the time of such adjournment to approve such proposal (the "Starz adjournment proposal"). The merger will not occur unless Starz stockholders approve the Starz merger

proposal. Approval of the Starz compensation proposal and Starz adjournment proposal are not conditions to the consummation of the merger.

The cross-references below are being supplied pursuant to General Instruction G to Schedule 13E-3 and show the location in the joint proxy statement/prospectus of the information required to be included in responses to the items of Schedule 13E-3. Pursuant to General Instruction F to Schedule 13E-3, the information contained in the joint proxy statement/prospectus, including all annexes, exhibits and appendices thereto, is incorporated in its entirety herein by reference, and the responses to each item in this Transaction Statement are qualified in their entirety by the information in the joint proxy statement/prospectus. As of the date hereof, the joint proxy statement/prospectus is in preliminary form and is subject to completion or amendment.

Each of PJT Partners LP, LionTree Advisors LLC, and Raine Securities LLC has consented to the inclusion of its respective materials filed as Exhibits under Item 16 of this Transaction Statement.

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[SIGNATURES](#)

Item 1. Summary Term Sheet (Regulation M-A, Item 1001)

The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

Item 2. Subject Company Information (Regulation M-A Item 1002)

(a) **Name and Address.**

Starz
8900 Liberty Circle
Englewood, Colorado 80112
(720) 852-7700

(b) **Securities.** The subject classes of equity securities to which this Transaction Statement relates are (i) the Series A Common Stock, par value \$0.01 per share (the “Starz Series A common stock”), of Starz and (ii) the Series B Common Stock, par value \$0.01 per share, of Starz (the “Starz Series B common stock”). As of October 25, 2016, 87,562,247 shares of Starz Series A common stock and 9,858,316 shares of Starz Series B common stock were outstanding.

(c) **Trading Market and Price.** The information set forth in the joint proxy statement/prospectus under the caption “Comparative Stock Prices and Dividends” is incorporated herein by reference.

(d) **Dividends.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Comparative Stock Prices and Dividends”

“The Merger Agreement—Dividends”

(e) **Prior Public Offerings.** None.

(f) **Prior Stock Purchases.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Agreements with Shareholders of Lions Gate and Stockholders of Starz—The 2015 Stock Exchange Agreement”

Item 3. Identity and Background of Filing Persons (Regulation M-A Item 1003)

(a)-(c) **Name and Address, Business and Background of Entities, Business and Background of Natural Persons.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Summary—Information About the Companies”

“Information About the Companies”

“Other Important Information Regarding the Parties”

“Where You Can Find More Information”

Item 4. Terms of the Transaction (Regulation M-A Item 1004)

(a) **Material Terms.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“The Lions Gate Special Meeting”

“The Starz Special Meeting”

“Comparison of Rights of Lions Gate Shareholders and Starz Stockholders”

“Special Factors”

“Special Factors—Accounting Treatment”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

“Certain Tax Consequences of the Transactions”

Annex A—Agreement and Plan of Merger

(c) **Different Terms.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Interests of Starz Directors and Executive Officers in the Merger”

“Special Factors—The Merger Agreement—Consideration to Starz Stockholders in the Merger”

“Special Factors—The Merger Agreement—Treatment of Starz Stock Options and Other Equity-Based Awards in the Merger”

“Special Factors—Agreements with Shareholders of Lions Gate and Stockholders of Starz”

“Special Factors—Agreements with Shareholders of Lions Gate and Stockholders of Starz—The 2015 Stock Exchange Agreement”

(d) **Appraisal Rights.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary—Appraisal Rights”

“Special Factors—Appraisal Rights”

(e) **Provisions for Unaffiliated Security Holders.** The information set forth in the joint proxy statement/prospectus under the caption “Provisions for Unaffiliated Security Holders” is incorporated herein by reference.

(f) **Eligibility for Listing or Trading.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Special Factors—Listing of Lions Gate Voting Shares and Lions Gate Non-Voting Shares in the Merger”

“Description of Lions Gate Capital Stock”

Item 5. Past Contacts, Transactions, Negotiations and Agreements (*Regulation M-A Item 1005*)

(a) **Transactions.** None.

(b)-(c) **Significant Corporate Events, Negotiations or Contracts.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Summary”

“Special Factors—Background of the Merger”

“Special Factors—Agreements with Shareholders of Lions Gate and Stockholders of Starz”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

“Special Factors— Interests of Starz Directors and Executive Officers in the Merger”

(e) **Agreements Involving the Subject Company’s Securities.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors— The Merger Agreement”

“Special Factors—Agreements with Shareholders of Lions Gate and Stockholders of Starz”

“Special Factors— Interests of Starz Directors and Executive Officers in the Merger”

“Special Factors— The Merger Agreement—Consideration to Starz Stockholders in the Merger”

“Special Factors— The Merger Agreement—Treatment of Starz Stock Options and Other Equity-Based Awards in the Merger”

“Where You Can Find More Information”

Annex A—Agreement and Plan of Merger

Annex E—Lions Gate Voting Agreements

Annex F—Starz Voting Agreement

Annex G—Exchange Agreement

Annex H—Investor Rights Agreement

Annex I—Amendment to Investor Rights Agreement

Annex K—Voting and Standstill Agreement

Annex L—Amendment to Voting and Standstill Agreement

Item 6. Purposes of the Transaction and Plans or Proposals (*Regulation M-A Item 1006*)

(b) **Use of Securities Acquired.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors— The Merger Agreement—Consideration to Starz Stockholders in the Merger”

“Special Factors— The Merger Agreement—Treatment of Starz Stock Options and Other Equity-Based Awards in the Merger”

“Special Factors—Delisting and Deregistration of Starz Common Stock and Lions Gate Common Shares”

“Special Factors— Exchange of Shares in the Merger”

(c)(1)-(8) **Plans.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors— The Merger Agreement”

“Special Factors—Agreements with Shareholders of Lions Gate and Stockholders of Starz”

“Special Factors—Interests of Starz Directors and Executive Officers in the Merger”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

“Special Factors—Delisting and Deregistration of Starz Common Stock and Lions Gate Common Shares”

“Special Factors—Listing of Lions Gate Voting Shares and Lions Gate Non-Voting Shares in the Merger”

“Special Factors— The Merger Agreement—Directors and Management Following the Merger”

“Special Factors— The Merger Agreement—Organizational Documents”

“Special Factors—Source and Amount of Funds”

“Special Factors—Plans for Starz after the Merger”

Item 7. Purposes, Alternatives, Reasons and Effects (Regulation M-A Item 1013)

(a) **Purposes.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors— The Merger Agreement”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

“Special Factors—Plans for Starz after the Merger”

(b) **Alternatives.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

(c) **Reasons.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

(d) **Effects.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors—The Merger Agreement”

“Special Factors—Agreements with Shareholders of Lions Gate and Stockholders of Starz”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

“Special Factors—Delisting and Deregistration of Starz Common Stock and Lions Gate Common Shares”

“Special Factors—Listing of Lions Gate Voting Shares and Lions Gate Non-Voting Shares in the Merger”

“Special Factors—The Merger Agreement—Directors and Management Following the Merger”

“Special Factors—The Merger Agreement—Organizational Documents”

“Special Factors—Plans for Starz after the Merger”

“Security Ownership of Certain Beneficial Owners and Management”

“Certain Tax Consequences of the Transactions”

Item 8. Fairness of the Transaction (Regulation M-A Item 1014)

(a)-(b) **Fairness; Factors Considered in Determining Fairness.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

“Special Factors—Opinions of Starz’s Financial Advisors”

“Special Factors—Position of Lions Gate and Merger Sub as to the Fairness of the Merger”

“Special Factors—Position of Dr. John C. Malone as to the Fairness of the Merger”

Annex C—Opinion of LionTree Advisors LLC

Annex D—Opinion of Raine Securities LLC

(c) **Approval of Security Holders.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“The Lions Gate Special Meeting—Required Vote”

“The Starz Special Meeting—Required Vote”

“Special Factors—The Merger Agreement”

(d) **Unaffiliated Representatives.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Summary”

“Questions and Answers”

“Special Factors—Background of the Merger”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

“Special Factors—Opinions of Starz’s Financial Advisors—Opinion of Raine Securities LLC”

“The Starz Special Meeting—Recommendation of the Starz Board of Directors; Fairness of the Merger”

Annex D—Opinion of Raine Securities LLC

(e) **Approval of Directors.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

(f) **Other Offers.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Special Factors—Background of the Merger”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

Item 9. Reports, Opinions, Appraisals and Negotiations (*Regulation M-A Item 1015*)

(a)-(b) **Report, Opinion or Appraisal; Preparer and Summary of the Report, Opinion or Appraisal.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Summary”

“Special Factors—Background of the Merger”

“Special Factors—Opinion of Lions Gate’s Financial Advisor”

“Special Factors—Opinions of Starz’s Financial Advisors”

Annex B—Opinion of PJT Partners LP

Annex C—Opinion of LionTree Advisors LLC

Annex D—Opinion of Raine Securities LLC

The materials dated May 23, 2016 and June 23, 2016, each prepared by PJT Partners LP and reviewed by the board of directors of Lions Gate, are attached hereto as Exhibits (c)(1) through (c)(3) and are incorporated by reference herein.

The materials dated June 14, 2016, June 20, 2016, June 22, 2016 and June 29, 2016, each prepared by LionTree Advisors LLC and reviewed by the board of directors of Starz, are attached hereto as Exhibits (c)(4) through (c)(9) and are incorporated by reference herein.

The materials dated June 15, 2016, June 22, 2016, June 23, 2016 and June 29, 2016, each prepared by Raine Securities LLC and reviewed by the Starz Special Committee, are attached hereto as Exhibits (c)(10) through (c)(16) and are incorporated by reference herein.

(c) **Availability of Documents.** The reports, opinions or appraisals referenced in this Item 9 will be made available for inspection and copying at the principal executive offices of

Starz during its regular business hours by any interested holder of Starz common stock or representative who has been designated in writing.

Item 10. Source and Amounts of Funds or Other Consideration (Regulation M-A Item 1007)

(a)-(b) **Source of Funds; Conditions.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Summary”

“Special Factors—Source and Amount of Funds”

Annex A—Agreement and Plan of Merger

(c) **Expenses.** The information set forth in the joint proxy statement/prospectus under the following caption “Special Factors—Merger Fees and Expenses” is incorporated herein by reference.

(d) **Borrowed Funds.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Summary”

“Special Factors—Source and Amount of Funds”

Annex A—Agreement and Plan of Merger

Item 11. Interest in Securities of the Subject Company (Regulation M-A Item 1008)

(a) **Securities Ownership.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Security Ownership of Certain Beneficial Owners and Management”

(b) **Securities Transactions.** The information set forth in the joint proxy statement/prospectus under the caption “Transactions in Starz Common Stock” is incorporated herein by reference.

Item 12. The Solicitation or Recommendation (Regulation M-A Item 1012)

(d) **Intent to Tender or Vote in a Going Private Transaction.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”;

“Special Factors—Agreements with Shareholders of Lions Gate and Stockholders of Starz”

“The Starz Special Meeting”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

(e) **Recommendation of Others.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

“The Starz Special Meeting”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

“The Lions Gate Special Meeting”

Item 13. Financial Statements (Regulation M-A Item 1010)

(a) **Financial Information.** The audited financial statements set forth in Starz’s Annual Report on Form 10-K for the year ended December 31, 2015 and the unaudited financial statements set forth in Starz’s Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2016 and June 30, 2016 are incorporated by reference herein. The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Summary—Selected Historical Financial Data of Starz”

“Summary—Ratio of Earnings to Fixed Charges of Starz”

“Summary—Equivalent and Comparative Per Share Information”

“Where You Can Find More Information”

(b) **Pro Forma Information.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Summary—Equivalent and Comparative Per Share Information”

“Unaudited Pro Forma Condensed Combined Financial Statements”

Item 14. Persons/Assets, Retained, Employed, Compensated and Used (Regulation M-A Item 1009)

(a)-(b) **Solicitations and Recommendations; Employees and Corporate Assets.** The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“Questions and Answers”

“Summary”

“Special Factors—Background of the Merger”

“Special Factors—Starz’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Starz Special Committee and Starz Board of Directors; Fairness of the Merger”

“Special Factors—Agreements with Shareholders of Lions Gate and Stockholders of Starz”

“The Starz Special Meeting”

“Special Factors—Lions Gate’s Purpose and Reasons for the Merger and Other Proposals; Recommendations of the Lions Gate Board of Directors”

“Special Factors—Fees and Expenses”

Item 15. Additional Information (Regulation M-A Item 1011)

(b) The information set forth in the joint proxy statement/prospectus under the following captions is incorporated herein by reference:

“The Starz Special Meeting—Proposal 2: The Starz Compensation Proposal”

“Special Factors—Interests of Starz Directors and Executive Officers in the Merger”

(c) **Other Material Information.** The information set forth in the joint proxy statement/prospectus, including all annexes, exhibits and appendices thereto, is incorporated herein by reference.

Item 16. Exhibits (Regulation M-A Item 1016)

(a)(1) The preliminary joint proxy statement/prospectus of Lions Gate (incorporated herein by reference to Amendment No. 2 to Form S-4 filed by Lions Gate on October 5, 2016 (Registration No. 333-212792)).

(a)(2) Form of Proxy Card (incorporated herein by reference to the joint proxy statement/prospectus)

(a)(3) Letter to Starz Stockholders and Lions Gate Shareholders (incorporated herein by reference to the joint proxy statement/prospectus)

(a)(4) Notice of Special Meeting of Stockholders of Starz (incorporated herein by reference to the joint proxy statement/prospectus)

(a)(5) Joint Press Release, dated June 30, 2016 (incorporated herein by reference to Exhibit 99.1 to Lions Gate's Current Report filed on Form 8-K with the SEC on June 30, 2016)

(a)(6) Investor Presentation, dated June 30, 2016 (incorporated herein by reference to Exhibit 99.2 to Lions Gate's Current Report filed on Form 8-K with the SEC on June 30, 2016)

(a)(7) Transcript of Conference Call, held on June 30, 2016 (incorporated herein by reference to Lions Gate's filing on June 30, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(8) Employee Communication of Lions Gate, issued on June 30, 2016 (incorporated herein by reference to Lions Gate's filing on June 30, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(9) Letter to Lions Gate Shareholders (incorporated herein by reference to Lions Gate's filing on July 29, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(10) Press Release of Starz, dated July 28, 2016 (incorporated herein by reference to Exhibit 99.1 to Starz's Current Report filed on Form 8-K with the SEC on August 1, 2016)

(a)(11) Excerpts of communications relating to the proposed merger (incorporated herein by reference to Exhibit 99.2 to Starz's Current Report filed on Form 8-K with the SEC on August 1, 2016)

(a)(12) Press Release of Lions Gate, dated August 4, 2016 (incorporated herein by reference to Lions Gate's filing on August 4, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(13) Transcript of Conference Call, held on August 4, 2016 (incorporated herein by reference to Lions Gate's filing on August 4, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(14) Employee Communication of Lions Gate, issued on August 19, 2016 (incorporated herein by reference to Lions Gate's filing on August 19, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(15) Employee Communication of Lions Gate, issued on September 1, 2016 (incorporated herein by reference to Lions Gate's filing on September 1, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(16) Transcript of Presentation, given on September 15, 2016 (incorporated herein by reference to Lions Gate's filing on September 19, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(17) Press Release dated September 22, 2016 (incorporated herein by reference to Exhibit 99.1 to Lions Gate's Current Report filed on Form 8-K with the SEC on September 22, 2016)

(a)(18) Excerpts of communications relating to the proposed merger (incorporated herein by reference to Starz's filing on September 27, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(19) Excerpts from Preliminary Financing Materials (incorporated herein by reference to Exhibit 99.1 to Lions Gate's Current Report filed on Form 8-K with the SEC on September 27, 2016)

(a)(20) Excerpts from Preliminary Offering Memorandum (incorporated herein by reference to Exhibit 99.1 to Lions Gate's Current Report filed on Form 8-K with the SEC on September 30, 2016)

(a)(21) Press Release dated October 13, 2016 (incorporated herein by reference to Exhibit 99.1 to Lions Gate's Current Report filed on Form 8-K with the SEC on October 13, 2016)

(a)(22) Employee Communication of Lions Gate, issued on October 28, 2016 (incorporated herein by reference to Lions Gate's filing on October 28, 2016 with the SEC pursuant to Rule 425 of the Securities Act of 1933)

(a)(23) Letter to Starz employees, dated October 28, 2016 (incorporated herein by reference to Exhibit 99.1 to Starz's Current Report filed on Form 8-K with the SEC on October 28, 2016)

(b)(1) Commitment Letter, dated as of June 27, 2016, among Lions Gate Entertainment Corp., and JPMorgan Chase Bank, N.A., Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank AG New York Branch, Deutsche Bank AG Cayman Islands Branch, and Deutsche Bank Securities Inc. (incorporated herein by reference to Exhibit 10.9 of Lions Gate's Current Report filed on Form 8-K with the SEC on August 1, 2016)

(b)(2) Indenture, dated October 27, 2016, by and between LG FinanceCo Corp. and Deutsche Bank Trust Company Americas, as trustee (incorporated herein by reference to Exhibit 4.1 to Lions Gate's Current Report filed on Form 8-K with the SEC on October 27, 2016)

(c)(1) Materials prepared by PJT Partners LP and presented to the Lions Gate board of directors on May 23, 2016

(c)(2)* Materials prepared by PJT Partners LP and presented to the Lions Gate board of directors on June 23, 2016

(c)(3) Opinion of PJT Partners LP presented to the Lions Gate board of directors on June 30, 2016 (incorporated herein by reference to Annex B of the joint proxy statement/prospectus)

(c)(4) * Preliminary presentation of LionTree Advisors LLC prepared for the Starz board of directors, dated June 14, 2016

(c)(5)* Preliminary presentation of LionTree Advisors LLC prepared for the Starz board of directors, dated June 20, 2016

(c)(6)† Preliminary presentation of LionTree Advisors LLC prepared for the Starz board of directors, dated June 22, 2016

(c)(7)† Presentation of LionTree Advisors LLC prepared for the Starz board of directors, dated June 29, 2016

(c)(8)† Preliminary opinion of LionTree Advisors LLC prepared for the Starz board of directors, dated June 22, 2016

(c)(9) Opinion of LionTree Advisors LLC prepared for the Starz board of directors, dated June 29, 2016 (incorporated herein by reference to Annex C of the joint proxy statement/prospectus)

(c)(10)* Preliminary Financial Presentation of Raine Securities LLC prepared for the Starz Special Committee, dated June 15, 2016

(c)(11)* Financial Presentation of Raine Securities LLC prepared for the Starz Special Committee, dated June 22, 2016

(c)(12)*† Financial Presentation of Raine Securities LLC prepared for the Starz Special Committee, dated June 23, 2016

(c)(13)*† Financial Presentation of Raine Securities LLC prepared for the Starz Special Committee, dated June 29, 2016

(c)(14)† Preliminary opinion of Raine Securities LLC prepared for the Starz Special Committee, dated June 22, 2016

(c)(15)† Preliminary opinion of Raine Securities LLC prepared for the Starz Special Committee, dated June 23, 2016

(c)(16) Opinion of Raine Securities LLC presented to the Starz Special Committee, dated June 29, 2016 (incorporated herein by reference to Annex D of the joint proxy statement/prospectus)

(d)(1) Agreement and Plan of Merger, dated as of June 30, 2016, by and among Lions Gate Entertainment Corp., Starz, and Orion Arm Acquisition Inc. (incorporated herein by reference to Annex A of the joint proxy statement/prospectus)

(d)(2) Stock Exchange Agreement, dated as of June 30, 2016, by and among Lions Gate Entertainment Corp., Orion Arm Acquisition Inc., and the stockholders listed on Schedule 1 thereto (incorporated herein by reference to Annex H of the joint proxy statement/prospectus)

(d)(3) Voting Agreement, dated as of June 30, 2016, by and among Lions Gate Entertainment Corp., Starz, Liberty Global plc, and Liberty Global Incorporated Limited (incorporated herein by reference to Annex E-1 of the joint proxy statement/prospectus)

(d)(4) Voting Agreement, dated as of June 30, 2016, by and among Lions Gate Entertainment Corp., Starz, Discovery Communications, Inc., and Discovery Lightning Investments Ltd. (incorporated herein by reference to Annex E-2 of the joint proxy statement/prospectus)

(d)(5) Stock Exchange Agreement, dated as of February 10, 2015, by and among Lions Gate Entertainment Corp., LG Leopard Canada LP and the stockholders listed on Schedule 1 thereto (incorporated by reference to Exhibit 10.1 of Lions Gate's Current Report filed on Form 8-K with the SEC on February 11, 2015)

(d)(6) Voting Agreement, dated as of June 30, 2016, by and among Lions Gate Entertainment Corp., Starz, and the stockholders listed on Schedule A thereto, including certain affiliates of Dr. John C. Malone (incorporated herein by reference to Annex E-3 of the joint proxy statement/prospectus)

(d)(7) Voting Agreement, dated as of June 30, 2016, by and among Lions Gate Entertainment Corp., Starz, and the stockholders listed on Schedule A thereto, including certain affiliates of Mark H. Rachesky, M.D. (incorporated herein by reference to Annex E-4 of the joint proxy statement/prospectus)

(d)(8) Voting Agreement, dated as of June 30, 2016, by and among Lions Gate Entertainment Corp., Starz, LG Leopard Canada LP and the stockholders listed on Schedule A thereto (incorporated herein by reference to Annex F of the joint proxy statement/prospectus)

(d)(9) Voting and Standstill Agreement, dated as of November 10, 2015, by and among Lions Gate Entertainment Corp., Liberty Global plc, Discovery Communications, Inc., Liberty Global Incorporated Limited, Discovery Lightning Investments Ltd., Dr. John C. Malone and affiliates of MHR Fund Management, LLC (incorporated herein by reference to Annex K of the joint proxy statement/prospectus)

(d)(10) Amendment to Voting and Standstill Agreement, dated as of June 30, 2016, by and among Lions Gate Entertainment Corp., Liberty Global plc, Discovery Lightning Investments Ltd., Dr. John C. Malone, MHR Fund Management, LLC, Liberty Global Incorporated Limited, Discovery Communications, Inc. and certain affiliates of MHR Fund Management, LLC (incorporated herein by reference to Annex L of the joint proxy statement/prospectus)

(d)(11) Investor Rights Agreement, dated as of November 10, 2015, by and among Lions Gate Entertainment Corp., Liberty Global plc, Discovery Communications, Inc., Liberty Global Incorporated Limited, Discovery Lightning Investments Ltd. and affiliates of MHR Fund Management, LLC (incorporated herein by reference to Annex F of the joint proxy statement/prospectus)

(d)(12) Amendment No 1. to Investor Rights Agreement, dated as of June 30, 2016, by and among Lions Gate Entertainment Corp., MHR Fund Management, LLC, Liberty Global Incorporated Limited, Discovery Lightning Investments Ltd., Liberty Global plc, Discovery Communications, Inc., and the affiliated funds of MHR Fund Management, LLC party thereto (incorporated herein by reference to Annex I of the joint proxy statement/prospectus)

(f)(1) Section 262 of the General Corporation Law of the State of Delaware (incorporated herein by reference to Annex J of the joint proxy statement/prospectus)

(f)(2) Statutory merger dissenters' rights as described under "Special Factors—Appraisal Rights" (incorporated herein by reference to the joint information statement/prospectus)

(g) None

* Certain portions of this exhibit have been redacted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.

† Previously filed.

SIGNATURES

After due inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated as of November 2 , 2016

STARZ

By: /s/ David I. Weil

Name: David I. Weil

Title: Chief Legal Officer

LIONS GATE ENTERTAINMENT CORP.

By: /s/ Wayne Levin

Name: Wayne Levin

Title: General Counsel and Chief Strategic Officer

ORION ARM ACQUISITION, INC.

By: /s/ Wayne Levin

Name: Wayne Levin

Title: President, General Counsel and Secretary

DR. JOHN C. MALONE

By: /s/ Dr. John C. Malone

Name: Dr. John C. Malone

PJT Partners



Project Galaxy

PRESENTATION TO THE BOARD OF DIRECTORS

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May 23, 2016

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Project Galaxy Term Sheet

New Share Class	<ul style="list-style-type: none"> > Lunar to authorize the issue of Class B No Vote Common Stock as consideration in the merger with Solar
Offer Consideration	<ul style="list-style-type: none"> > Solar Class A Shares <ul style="list-style-type: none"> • \$23.25 cash consideration per Solar Class A Share • 0.392 shares in the form of Lunar Class B No Vote Common Stock per Solar Class A Share at a fixed exchange ratio, representing \$715mm total equity consideration at Lunar share price of \$19.79⁽¹⁾ • 0.251 warrants issued per Solar Class A Share > Solar Class B Shares <ul style="list-style-type: none"> • \$25.58 cash consideration per Solar Class B Share • 0.431 shares in the form of Lunar Class B No Vote Common Stock per Solar Class B Share at a fixed exchange ratio, representing \$62mm total equity consideration at Lunar share price of \$19.79⁽¹⁾ • 0.276 warrants issued per Solar Class B Share
Offer Price at Lunar Share Price of \$19.79⁽¹⁾	<ul style="list-style-type: none"> > \$31.67 per Solar Class A Share > \$34.83 per Solar Class B Share (10% premium to Solar Class A)
Warrants	<ul style="list-style-type: none"> > Warrants issued to Solar shareholders representing 10% of the Pro Forma combined company > \$40 strike price > 24 month expiration from transaction close > Warrants entitle Solar shareholders to Lunar Class B No Vote Common Stock > Warrants to be exercised on a net basis
Cash Funding	<ul style="list-style-type: none"> > Lunar to fund cash component of \$2.3bn via incremental debt raised > Total financing of \$3.3bn including refinancing of existing Solar debt > \$500 million rights issue of Lunar Class B No Vote Common Stock with issuance of rights to all shareholders of the Pro Forma combined company <ul style="list-style-type: none"> • Right issue undertaken at a 25% discount to TERP⁽²⁾ • Assumed to take place post merger with the proceeds applied to debt pay down • Tradeable

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(1) Lunar price as of 5/20/16.
 (2) Theoretical Ex-Rights Price.

Illustrative Merger with Solar

(\$ in millions except per share prices)

Total Value Offered per Solar Class A Share	\$31.67
Cash Value	23.25
Stock Value	7.75
Warrant Value ⁽¹⁾	0.67
Warrants	
Strike Price	\$40.00
Warrants as % of Post Deal Fully Diluted Shares	10%
Expiration	24 Months From Close
Aggregate Consideration	\$3,176
Cash Consideration	2,332
Lunar Class B No Vote Common Stock	777
Warrants	67

OWNERSHIP BASED ON \$23.25 PER SOLAR CLASS A SHARE

PF Economic Ownership (No Warrant Dilution)	
MHR	15.9%
M / L / D / M ⁽²⁾	9.3%
Total Lunar	79.4%
Total Solar	20.6%
PF Voting Ownership (No Warrant Dilution)	
MHR	20.0%
M / L / D / M ⁽²⁾	9.5%
Total Lunar	100.0%
Total Solar	-

PRO FORMA LEVERAGE

Based on \$23.25 Cash Consideration Per Solar Class A Share

	PF FY2017E EBITDA ⁽³⁾		
	PF EBITDA Excl. Synergies & Incl. \$50mm AT&T Adjustment \$725mm ⁽⁴⁾	PF EBITDA Excl. Synergies \$775mm ⁽⁵⁾	PF EBITDA Incl. Cost Synergies \$810mm ⁽⁶⁾
Gross Debt Pre Rights Offering ⁽⁷⁾	\$4,205	\$4,205	\$4,205
Gross Debt Pre Rights Offering / PF FY2017E EBITDA	5.8x	5.4x	5.2x
Gross Debt Post Rights Offering ⁽⁷⁾	\$3,705	\$3,705	\$3,705
Gross Debt Post Rights Offering / PF FY2017E EBITDA	5.1x	4.8x	4.6x

Source: Company filings and Capital IQ.

Note: Market data as of 5/20/16.

(1) Based on warrants issued at the current Lunar Share Price.

(2) Malone / Liberty / Discovery / Maffei ownership.

(3) Based on Lunar Adjusted EBITDA of \$250mm and Solar OIBDA of \$525mm in FY17E.

(4) Excludes synergies and includes illustrative \$50mm loss on AT&T renewal.

(5) Excludes synergies.

(6) Includes \$35mm of run-rate cost synergies.

(7) Assumes Solar 12/31/16E debt of \$1,007mm, Solar 12/31/16E cash of \$25mm, Lunar 12/31/16E debt of \$910mm, Lunar 12/31/16E cash of \$68mm and minimum cash of \$50mm. Assumes Lunar stops paying dividends post announcement of transaction.

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Implied TEV/FY2017E EBITDA Multiple at Various Offer Prices

Based on FY2017E EBITDA (Pre-SBC) Multiples

EXCLUDING NPV OF TAX SYNERGIES

Solar Adj. EBITDA	Offer Price Per Solar Class A Share ⁽¹⁾			
	\$29.00	\$31.00	\$33.00	\$35.00
\$450	8.8x	9.3x	9.8x	10.3x
\$475	8.3x	8.8x	9.3x	9.8x
\$500	7.9x	8.4x	8.8x	9.3x
\$510	7.8x	8.2x	8.7x	9.1x
\$525	7.5x	8.0x	8.4x	8.8x
\$550	7.2x	7.6x	8.0x	8.4x
\$560	7.1x	7.5x	7.9x	8.3x

INCLUDING NPV OF TAX SYNERGIES⁽²⁾

Solar Adj. EBITDA	Offer Price Per Solar Class A Share ⁽¹⁾			
	\$29.00	\$31.00	\$33.00	\$35.00
\$450	7.3x	7.8x	8.3x	8.8x
\$475	6.9x	7.4x	7.8x	8.3x
\$500	6.5x	7.0x	7.4x	7.9x
\$510	6.4x	6.8x	7.3x	7.7x
\$525	6.2x	6.7x	7.1x	7.5x
\$550	5.9x	6.3x	6.8x	7.2x
\$560	5.8x	6.2x	6.6x	7.0x

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☐ FY2017E EBITDA (Pre-SBC)

☐ FY2017E EBITDA (Pre-SBC) including \$50mm loss on AT&T renewal

☐ FY2017E EBITDA (Pre-SBC) including \$35mm of cost synergies

☐ FY2017E EBITDA (Pre-SBC) including \$50mm loss on AT&T renewal and including \$35mm of cost synergies

Source: Capital IQ and Bloomberg.

Note: Market data as of 5/20/16. Analysis shows implied TEV / FY17E multiples of Solar at various prices upon closing. Valuation includes Lunar ownership in Solar.

(1) Offer value of cash and stock consideration only. Excludes value of warrants. Includes 10% premium for Solar Class B stock.

(2) Assumes \$693mm total value of tax synergies based on run rate tax benefit of \$60mm discounted at Lunar's cost of equity (8.7%).

Illustrative Accretion / Dilution Analysis

Includes Illustrative \$50mm Reduction in Starz's Annual EBITDA from AT&T Renewal and \$500mm Post-Transaction Rights Offer

FY2017E

Without Synergies

LFCF / Share

\$ Accretion / (dilution)	\$0.32
% Accretion / (dilution)	36%

Diluted Earnings / Share

\$ Accretion / (dilution)	\$0.47
% Accretion / (dilution)	37%

With Synergies⁽¹⁾

LFCF / Share

\$ Accretion / (dilution)	\$0.72
% Accretion / (dilution)	80%

Diluted Earnings / Share

\$ Accretion / (dilution)	\$0.86
% Accretion / (dilution)	69%

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Source: Capital IQ and PJT estimates based on Wall Street research and discussions with Lunar Management.

(1) Includes \$35mm of run-rate cost synergies and \$60mm of run-rate tax synergies.

Has / Gets Analysis

BASED ON FY2017E

(\$ in millions except per share data)

(Balance sheet data estimated as of 12/31/16E)

	Post-Merger Total	Owner of a Single LGF Share		
		Has	Gets	Δ
Adj. EBITDA Per Share				
Unadjusted	\$775	\$1.65	\$4.06	\$2.41
Reduced By \$50mm for AT&T Renewal	725	1.65	3.80	2.15
Synergies (annual)				
Cost Savings	\$35	-	\$0.18	\$0.18
Tax Savings	60	-	0.31	0.31
Financial (Liabilities) / Assets				
Net Debt	(\$4,155)	(\$5.55)	(\$21.76)	(\$16.21)
Equity Investments and Other Financial Assets and (Liabilities) ⁽¹⁾	899	6.36	\$4.71	(1.65)
Total Financial (Liabilities) / Assets	(\$3,256)	\$0.81	(\$17.05)	(\$17.86)

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Source: Capital IQ and PJT estimates based on Wall Street research and discussions with Lunar Management.

Note: As of FY2017E. Excludes Rights Offering.

(1) Based on market value. Includes minority interest in Pilgrim Studios. Equity investments adjusted for full consolidation of Solar.

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Project Galaxy

PRESENTATION TO THE BOARD OF DIRECTORS

June 23, 2016

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I. Transaction Overview

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Final Transaction Terms⁽¹⁾

Merger Price and Consideration	<ul style="list-style-type: none"> > Lunar to acquire Solar's outstanding shares for a mix of cash and stock consideration in a single-step merger - Implied weighted average offer price of \$32.17⁽²⁾ <ul style="list-style-type: none"> o Implied offer valuation of \$4.4bn⁽³⁾ <ul style="list-style-type: none"> - TEV / FY17E Adj. EBITDA (post-SBC) of 9.5x (8.5x inclusive of run-rate operating synergies)⁽⁴⁾ - TEV / CY16E Adj. EBITDA (post-SBC) of 9.6x (8.7x inclusive of run-rate operating synergies)⁽⁴⁾ - Capitalized financial savings-adjusted TEV / CY16E Adj. EBITDA (post-SBC) of 6.5x (inclusive of run-rate operating savings)⁽⁴⁾⁽⁵⁾ - \$32.06 per share for Solar Class A Shares⁽⁶⁾ <ul style="list-style-type: none"> o \$18.00 per share in cash; plus o 0.6784 shares of Lunar Class B Non-Voting Common Stock per share at a fixed exchange ratio o Implied 30-Trading Day VWAP premium of 20% - \$33.47 per share offer for Solar Class B Shares⁽⁶⁾ <ul style="list-style-type: none"> o \$7.26 per share in cash; plus o 0.6321 shares of Lunar Class A Voting Common Stock and 0.6321 shares of Lunar Class B Non-Voting Common Stock per share, in each case at a fixed exchange ratio o Represents 4% premium to consideration paid for Solar Class A Shares o Implied 30-Trading Day VWAP premium of 22% - Solar equity awards, including stock options, RSUs and restricted shares, will be assumed by Lunar and rolled over into comparable equity awards settled in Lunar Class B Non-Voting Common Shares
Lunar Reclassification and Exchange	<ul style="list-style-type: none"> > Prior to the merger, Lunar will effect a reclassification of its common shares in connection with which each existing common share will be exchanged into (i) one half of a share of Lunar Class A Voting Common Stock and (ii) one half of a share of Lunar Class B Non-Voting Common Stock > All Lunar shareholders to receive identical consideration for current Lunar shares
Pro Forma Ownership	<ul style="list-style-type: none"> > Pro forma for the transaction, current Lunar shareholders to retain 67% of economic ownership and 94% of the voting rights on a fully diluted basis > As noted above, all Solar equity awards to roll into comparable equity awards relating to Lunar non-voting stock at 1.5467 exchange ratio
Anticipated Transaction Financing	<ul style="list-style-type: none"> > \$2.0 billion incremental debt > Total financing of \$3.7bn including refinancing of existing Solar and Lunar debt and \$850mm of unfunded revolver; fully committed by J.P. Morgan, Deutsche Bank and Bank of America Merrill Lynch > Contemplated potential post transaction equity raise to pay down debt
Expected Closing	<ul style="list-style-type: none"> > Expected Closing in CY Q4 2016

Source: Merger Agreement and Lunar Management.

Note: Solar has 87.6mm Class A shares and 9.9mm Class B shares (including Lunar-owned shares) as of 5/31/16; Fully-diluted shares (treasury stock method) also includes 6.2mm shares based on 12.6mm time and performance vesting options outstanding with a weighted average exercise price of \$18.95, 1.0mm restricted share grants and restricted stock units as of 6/9/16 per Solar Management. On a fully-diluted basis, Solar has 103.7 shares outstanding (including Lunar-owned shares) including the effect of dilutive securities.

(1) The foregoing is a summary of some of the principal terms for the transactions based on Lunar Management and most recent draft of the Merger Agreement made available to us. Summary is subject in all respects to more complete summary of terms and conditions of definitive agreements by Lunar counsel.

(2) Based on the total equity consideration paid to Solar shareholders.

(3) Includes 2.118mm Solar Class A and 2.591 Solar Class B shares owned by Lunar. Assumes Solar options, RSGs and RSUs are fully diluted as per treasury stock method.

(4) Implied TEV based on balance sheet as of 3/31/16.

(5) Represents implied TEV adjusted for NPV of financing savings divided by CY2016E Adj. EBITDA (post-SBC) including run-rate operating savings.

(6) Based on Lunar share price of \$20.73 per share as of 6/21/16.

Summary of Offer Consideration for Solar Shares

EXCLUDES SHARES OWNED BY LUNAR

(\$ per share)

	Fully-Diluted Securities (mm)	Offer Consideration		Cash Consideration \$ per Share	Equity Consideration	
		\$ per Share	Illustrative Exchange Ratio		\$ per Share	Exchange Ratio
Class A	85.5	\$32.06	1.5467x	\$18.00	\$14.06	0.6784x
Dilutive Securities (Treasury Method)	6.2	\$32.06	1.5467x	-	\$32.06	1.5467x
Class B	7.3	\$33.47	1.6145x	\$7.26	\$26.21	1.2643x
Weighted Average	99.0	\$32.17	1.5517x	\$16.09	\$16.08	0.7755x

Source: Capital IQ and company filings.

Note: Market data as of 6/21/16. Excludes 2.118mm Solar Class A and 2.591 Solar Class B shares owned by Lunar Management.

Combination Rationale with Solar

The combination of Solar and Lunar creates a diversified media platform with motion picture and television content, cable and OTT distribution, enhanced scale and an opportunity to optimize capital structure and operating costs.

Premium Content and Production Capabilities

- Further augments extensive Lunar film and television library and upcoming slate properties with success of emerging Solar original programming (*Outlander*, *Power*)

Affiliate Relationships

- Enhanced scale and attractiveness to affiliates (ATT/DTV, Charter/TWC, Verizon, Comcast, etc.)

Cost Rationalization

- Meaningful cost saving opportunity with ability to leverage studio operations and back office functions including G&A savings, production efficiencies, packaged media savings, marketing efficiencies, savings on benefits related to scale, shared services

Cash Flow Diversification

- Solar business model offers enhanced cash flow stability with contracted revenue streams from affiliates and mitigates inherently variable motion picture cash flows

Due Diligence

- > PJT Partners has reviewed the following documents in preparation of these Board materials:
 - Publicly filed statements for Solar and Lunar, including but not limited to
 - Publicly available financial filings (annual reports / quarterly reports)
 - Proxy Filings
 - Ownership Filings
 - Transcripts
 - Investor Presentations
 - Press Releases
 - Other publicly filed documents
 - Documents supplied in the Solar and Lunar electronic data rooms
- > PJT has also participated in diligence sessions related to business, financials, HR, legal, financing, tax and structuring with Lunar and Solar Management and their respective external advisors
- > PJT's analysis relies on financial projections, cost synergy estimates and interest related savings estimates provided by Lunar Management



II. Value Perspectives on Solar

Confidential

Solar Share Price Performance (For Informational Purposes Only)



Source: Capital IQ and Bloomberg.

Note: Market data as of 6/21/16. Data starts at 6/21/13.

(1) Weighted average based on fully diluted shares outstanding excluding 2.118mm Solar Class A and 2.591 Solar Class B shares owned by Lunar.

(2) Includes 2.118mm Solar Class A and 2.591 Solar Class B shares owned by Lunar. Assumes Solar options, RSGs and RSUs are fully diluted as per treasury stock method.

(3) Includes \$1,129mm of total debt and \$10mm of cash as of 3/31/16. Investments in affiliates include Solar interests in Playco Holdings.

(4) Adj. EBITDA (pre-SBC) of \$499mm in FY17E and \$560mm in FY18E. Adj. EBITDA (post-SBC) of \$469mm in FY17E and \$529mm in FY18E. Adj. EBITDA (pre-SBC) of \$490mm in CY16E and \$543mm in CY17E. Adj. EBITDA (post-SBC) of \$460mm in CY16E and \$511mm in CY17E.

(5) Includes run-rate synergies of \$52mm.

	Current Price	Offer Price		
Weighted Avg. Solar Share Price⁽¹⁾	\$27.56	\$32.17		
Premium to Weighted Avg.	Metric			
Current	\$27.56	-		
30-Trading Day VWAP	\$26.83	3%		
60-Trading Day VWAP	\$26.39	4%		
FDSO ⁽²⁾ (mm)	102.8	103.7		
Equity Value (\$mm)	\$2,832	\$3,338		
Net Debt ⁽³⁾ (\$mm)	1,120	1,120		
Investments in Affiliates ⁽³⁾ (\$mm)	(25)	(25)		
Total Enterprise Value (\$mm)	\$3,927	\$4,432		
Implied Multiples⁽⁴⁾	Pre-SBC	Post-SBC	Pre-SBC	Post-SBC
TEV / FY17E Adj. EBITDA	7.9x	8.4x	8.9x	9.5x
TEV / FY18E Adj. EBITDA	7.0x	7.4x	7.9x	8.4x
TEV / FY17E Adj. EBITDA (w/ Operating Savings) ⁽⁵⁾			8.0x	8.5x
TEV / FY18E Adj. EBITDA (w/ Operating Savings) ⁽⁵⁾			7.2x	7.6x
TEV / CY16E Adj. EBITDA	8.0x	8.5x	9.0x	9.6x
TEV / CY17E Adj. EBITDA	7.2x	7.7x	8.2x	8.7x
TEV / CY16E Adj. EBITDA (w/ Operating Savings) ⁽⁵⁾			8.2x	8.7x
TEV / CY17E Adj. EBITDA (w/ Operating Savings) ⁽⁵⁾			7.5x	7.9x

Solar Projected Financial Summary

PROJECTED REVENUE⁽¹⁾
(US\$ mm)



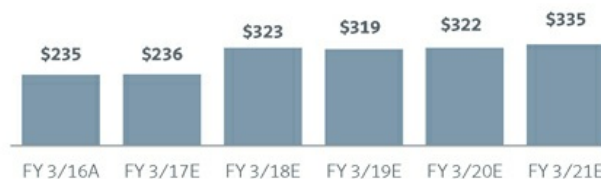
PROJECTED ADJ. EBITDA (PRE-SBC)⁽²⁾
(US\$ mm)



PROJECTED ADJ. EBITDA (POST-SBC)⁽²⁾
(US\$ mm)



PROJECTED FREE CASH FLOW⁽³⁾
(US\$ mm)





Source: Solar Management. Projections were provided by Lunar Management.

Note: Solar CY financial projections converted to FY by assuming 75% of financial results derived from the CY prior and 25% of financial results derived from the following CY for those years in which quarterly financial information is unavailable.

- (1) Segment revenues may not add to total due to eliminations.
- (2) Adj. EBITDA (pre-SBC) defined as revenues less direct costs of revenue and less SG&A expenses excluding stock-based compensation. Adj. EBITDA (post-SBC) defined as revenues less direct costs of revenue, less SG&A expenses and less stock-based compensation.
- (3) Levered Free Cash Flow defined as Adj. EBITDA (post-SBC) plus stock-based compensation, less cash interest, less cash taxes, less cash spend on programming in excess of amortization, less purchases of PP&E & investments and less change in working capital and other.

Selected Solar Publicly Traded Comparables

(US\$ mm, except per share prices)

							
Blended Price	\$59.63	\$53.73	\$25.07	\$63.21	\$71.81		
Fully Diluted Shares	74.4	461.9	624.9	129.7	805.6		
Equity Value	\$4,438	\$24,820	\$15,669	\$8,196	\$57,847		
Plus: Debt	3,059	8,323	8,061	3,700	24,473		
Less: Cash & Investments	(703)	(411)	(333)	(217)	(2,330)		
Plus: Minority interests	240	-	264	1,339	29		
Less: Investments in Affiliates	-	(322)	(526)	(877)	(2,781)		
Enterprise Value	\$7,035	\$32,410	\$23,135	\$12,142	\$77,238	\$27,715	\$11,817
TEV / EBITDA (Post-SBC)							
CY2016E	8.0x	9.5x	9.5x	8.6x	9.5x	13.0x	12.7x
NTM	7.9x	9.4x	9.4x	8.6x	9.3x	12.7x	12.5x
CY2017E	7.7x	9.3x	9.2x	8.5x	8.7x	11.9x	11.9x
TEV / EBITDA (Pre-SBC)							
CY2016E	7.7x	9.0x	9.3x	8.4x	9.2x		
NTM	7.6x	9.0x	9.2x	8.4x	9.0x		
CY2017E	7.4x	8.8x	9.0x	8.3x	8.5x		
CY2016 - CY2018 CAGR							
Revenue	5%	3%	6%	4%	5%	6%	7%
EBITDA (Post-SBC)	5%	7%	4%	2%	8%	10%	7%

TEV / CY2016E EBITDA	Incl. HBO & Showtime	Excl. HBO & Showtime
Mean	10.1x	9.0x
Median	9.5x	9.5x
TEV / NTM EBITDA		
Mean	10.0x	8.9x
Median	9.4x	9.3x
TEV / CY2017E EBITDA		
Mean	9.6x	8.7x
Median	9.2x	8.7x

Source: Capital IQ, public filings and Wall Street research.

Note: Market data as of 6/21/16.

(1) HBO and Showtime estimates based on NAV and segment data from Wall Street research.

Selected Precedent M&A Transactions

TEV / LTM EBITDA



Target	YES Network	Chellomedia	A&E Networks	NBC Networks	Comcast Networks	Travel Channel
Acquirer	21st Century Fox	AMC Networks	Disney-Hearst	Comcast-NBC JV	Comcast-NBC JV	Scripps Network
Announcement Date	1/24/2014	10/28/2013	7/10/2012	12/3/2009	12/3/2009	11/5/2009
Transaction TEV (US\$m)	\$680	\$1,035	\$3,025	\$15,136	\$7,250	\$975

Source: Public filings and Capital IQ.
 Note: EBITDA estimates are post-SBC.
 (1) Implied Solar TEV / FY2016A Adj. EBITDA (post-SBC) at offer price.

Potential Operating and Financial Cost Savings Summary

We have relied upon the views of Lunar and Solar Management regarding the financial and operating cost savings. The cost to achieve these savings is expected to be \$25mm over two years (\$5mm in FY2017 and \$20mm in FY2018, respectively).

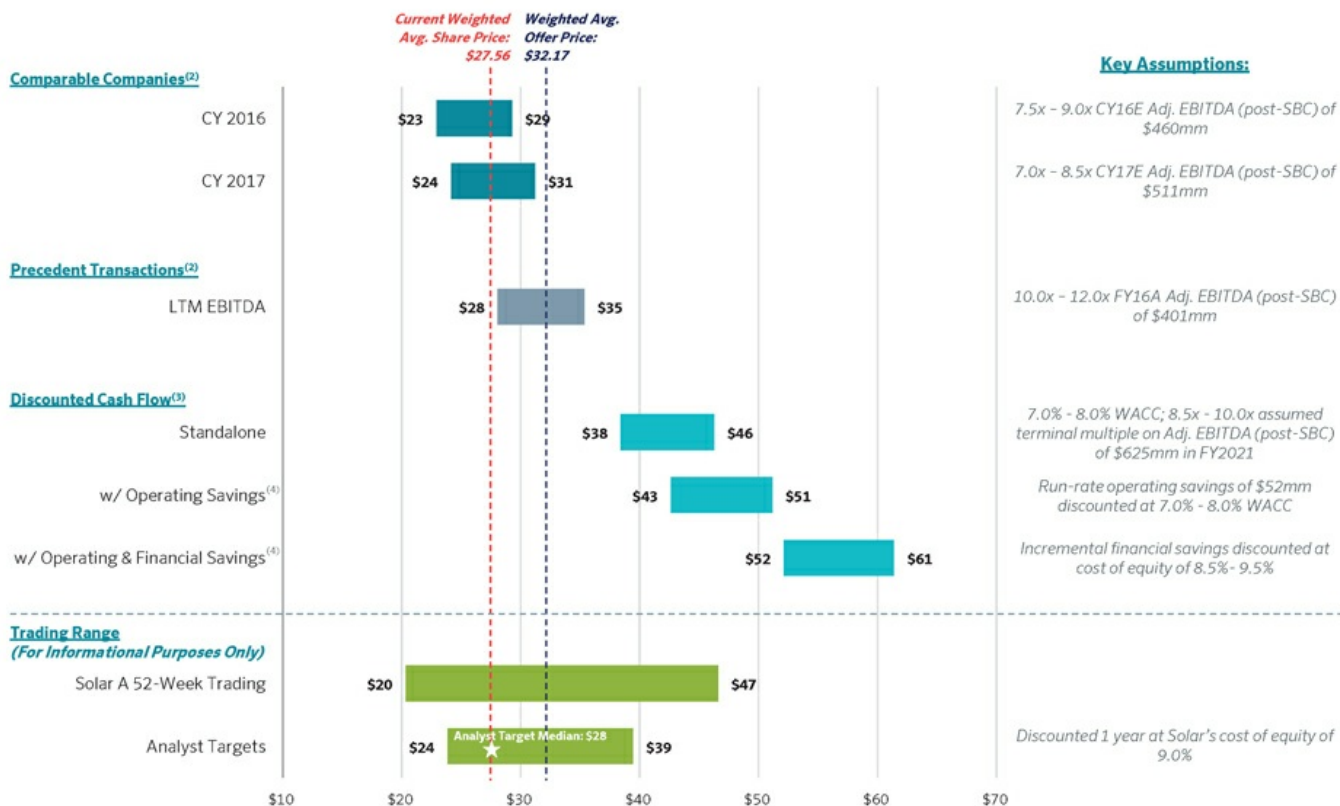
<i>(US\$ mm)</i>		
Type	Run-Rate Savings	Commentary
Operating Savings		
G&A Savings	\$26.5	> Includes reductions in staffing/professional fees/rent/T&E
Production Efficiencies / Savings	\$6.2	> Savings equal to 5% of wholly owned original programming budgets
Packaged Media Savings / Marketing Efficiencies	\$8.0	> Migration to LGF vendor deals on existing distribution company product flow > Enhanced media buying/creative services rates due to combined company volume
Savings on Benefits Related to Scale	\$2.1	
Shared Services / Public Company Cost Savings	\$4.5	> Elimination of public company costs
Other	\$5.0	> Includes savings associated with infrastructure & administration, OTT platforms, scale driven vendor discounts, etc.
Total Potential Operating Savings	\$52.3	
Financial Savings		
Incremental Financial Savings	\$60.5	
Utilization of Existing NOLs	Varies	

NPV of Operating Savings of \$510mm⁽¹⁾

NPV of Financial Savings of \$1,103mm⁽¹⁾

Note: Savings estimates provided by Lunar Management and based on Lunar Management's diligence to date.
(1) Refer to page 39 for further details.

Solar Valuation Summary⁽¹⁾



Source: Public filings, Solar Management, Bloomberg and Capital IQ. Projections as provided by Lunar Management.
 Note: Market data as of 6/21/16. Adjusted EBITDA estimates are post-SBC. Fully diluted shares outstanding (as per treasury stock method) range from 100.8mm to 107.6mm varying with implied share price.
 (1) Valuation as of 6/21/16 for comparable companies and precedent transactions analyses. Valuation as of 12/31/16 for DCF analysis.
 (2) Based on net debt of \$1,120mm as of 3/31/16.
 (3) Based on projected net debt of \$983mm as of 12/31/16.
 (4) Includes the value of operating and financial savings in Solar valuation.



III. Value Perspectives on Lunar

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Lunar Share Price Performance (For Informational Purposes Only)



Source: Capital IQ and Bloomberg.

Note: Market data as of 6/21/16. Data starts at 6/21/13.

(1) Assumes \$42mm of in-the-money 4.0% convertible notes are converted at \$10.26 per share. Assumes Lunar options, RSGs and RSUs are fully diluted as per treasury stock method.

(2) Includes \$846mm of total debt (includes \$60mm of out-of-the-money convertible notes and excludes \$42mm of in-the-money convertible notes) and \$58mm of cash as of 3/31/16.

(3) Includes investments in affiliates of \$1,004mm (EPIX, Pop, Solar, Telltale Games and Other) as provided by Lunar Management and minority interest of \$120mm related to Pilgrim Studios (analyst estimates).

(4) Adj. EBITDA pre-SBC reflects Adj. EBITDA including equity income. Adj. EBITDA post-SBC reflects Adj. EBITDA excluding equity income. Adj. EBITDA (pre-SBC, incl. equity income) of \$251mm in FY17E and \$263mm in FY18E. Adj. EBITDA (post-SBC, excl. equity income) of \$106mm in FY17E and \$136mm in FY18E. Adj. EBITDA (pre-SBC, incl. equity income) of \$229mm in CY16E and \$260mm in CY17E. Adj. EBITDA (post-SBC, excl. equity income) of \$87mm in CY16E and \$128mm in CY17E.

(5) Implied pre-SBC multiples are calculated excluding investments in affiliates of \$1,004mm from TEV.

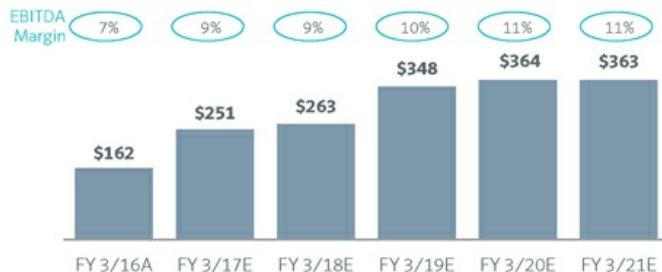
		Current Price
Lunar Share Price:		\$20.73
Premium to Lunar Share Price	Metric	
Current	\$20.73	-
30-Trading Day VWAP	\$21.39	(3%)
60-Trading Day VWAP	\$21.20	(2%)
FDSO ⁽¹⁾ (mm)		153.0
Equity Value (\$mm)		\$3,171
Net Debt ⁽²⁾ (\$mm)		788
Minority Interest & Investments in Affiliates ⁽³⁾ (\$mm)		(884)
Total Enterprise Value (\$mm)		\$3,075
Implied Multiples⁽⁴⁾		
	Pre-SBC	Post-SBC
TEV / FY17E Adj. EBITDA	16.3x	29.1x
TEV / FY18E Adj. EBITDA	15.5x	22.7x
TEV / CY16E Adj. EBITDA	17.8x	35.2x
TEV / CY17E Adj. EBITDA	15.7x	24.0x

Lunar Projected Financial Summary

PROJECTED REVENUE
(US\$ mm)



PROJECTED ADJ. EBITDA (PRE-SBC, INCL. EQUITY INCOME)⁽¹⁾
(US\$ mm)



PROJECTED ADJ. EBITDA (POST-SBC, EXCL. EQUITY INCOME)⁽¹⁾
(US\$ mm)



PROJECTED FREE CASH FLOW⁽²⁾
(US\$ mm)

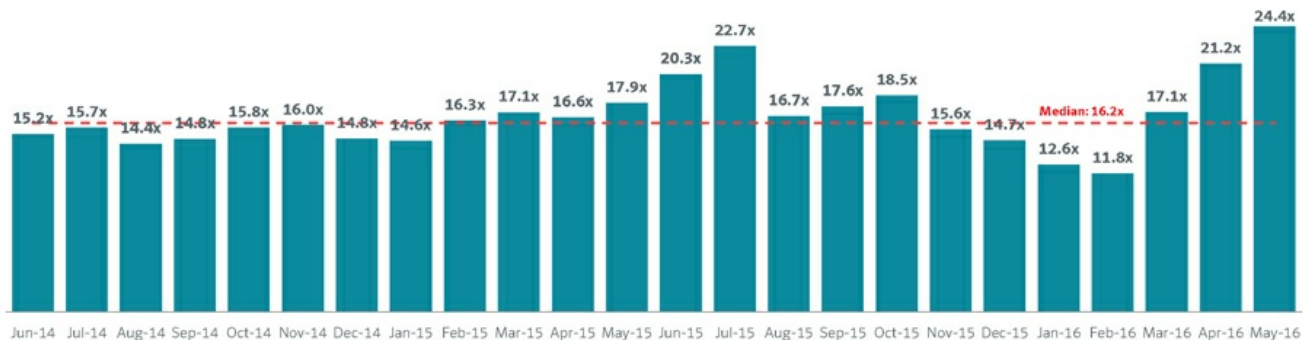


Source: Lunar Management.

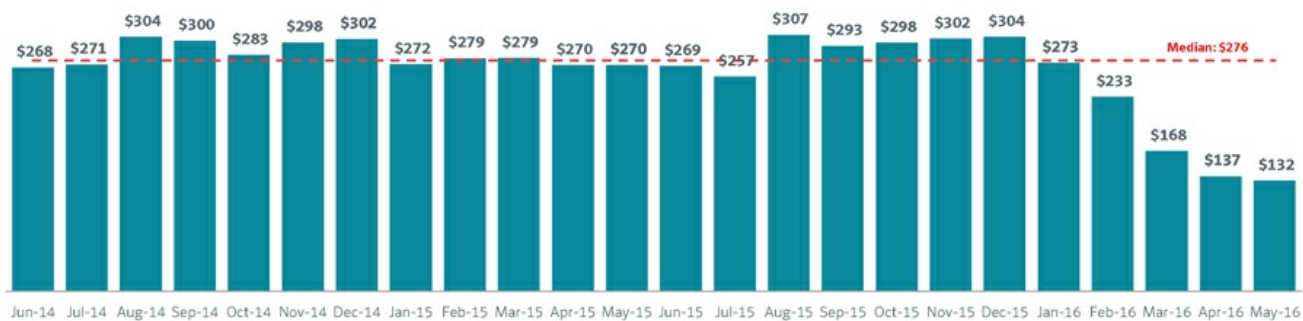
- (1) Adj. EBITDA (pre-SBC, incl. equity income) defined as revenues less direct operating expenses, less distribution & marketing expenses, less general & administrative expenses and plus equity income. Adj. EBITDA (post-SBC, excl. equity income) defined as revenues less direct operating expenses, less distribution & marketing expenses, less general & administrative expenses and less stock-based compensation expense (excludes equity income).
- (2) Levered Free Cash Flow defined as Adj. EBITDA (post-SBC, excl. equity income) plus stock-based compensation, less cash interest, less cash taxes, less cash spend on programming in excess of amortization, less purchases of PP&E & investments and less change in working capital and other.

Lunar Historical Trading Analysis (For Informational Purposes Only)

TEV / NTM WALL STREET CONSENSUS ADJ. EBITDA (POST-SBC, EXCL. EQUITY INCOME)⁽¹⁾



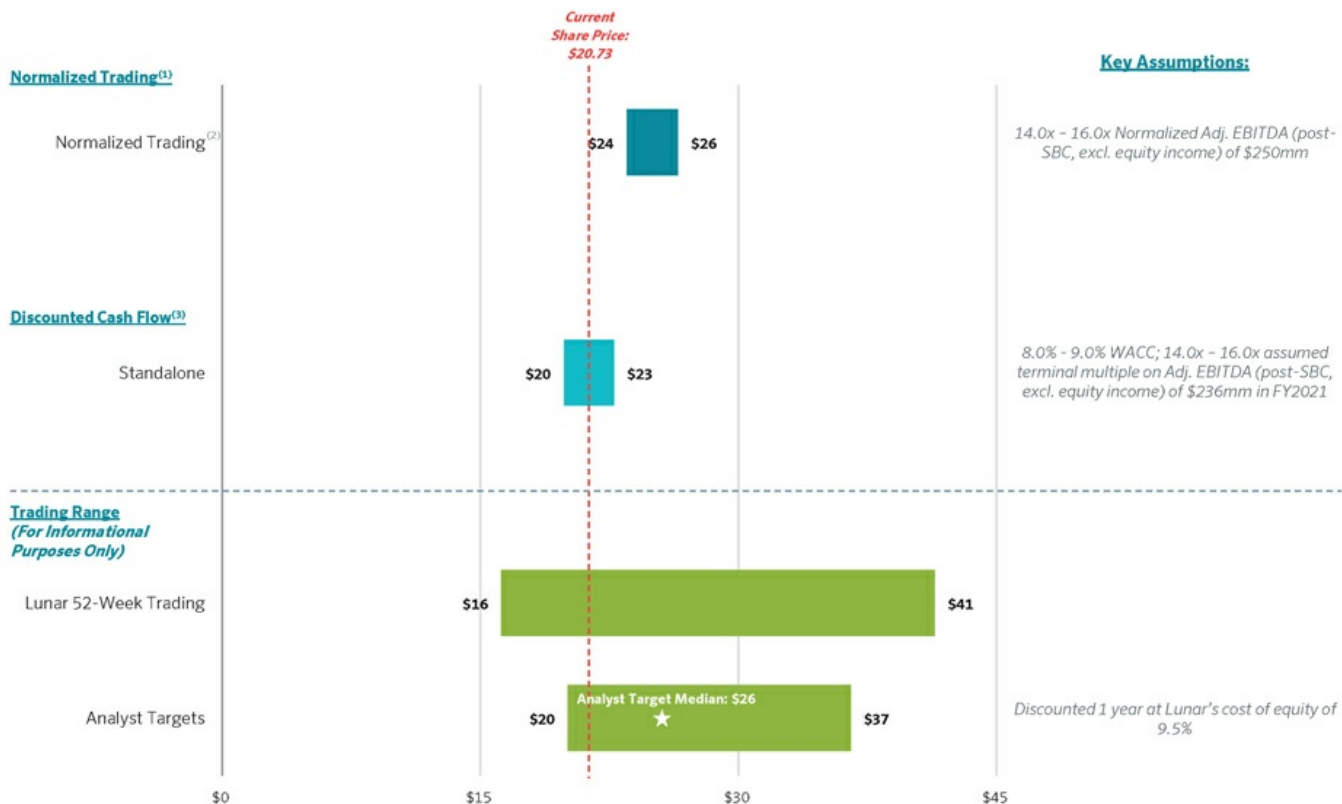
WALL STREET CONSENSUS NTM ADJ. EBITDA (POST-SBC, EXCL. EQUITY INCOME)⁽¹⁾
(US\$ mm)



Source: Capital IQ, company filings and Wall Street research.

(1) Based on Wall Street consensus median estimates for adjusted EBITDA, less stock-based compensation and excluding equity income (actuals reported in the following twelve months).

Lunar Valuation Summary



Source: Public filings, Lunar Management, Bloomberg and Capital IQ.

Note: Market data as of 6/21/16. Adjusted EBITDA estimates are post-SBC, excl. equity income. Fully diluted shares outstanding range from 153.0mm to 161.8mm varying with implied share price.

(1) Valuation based on historical TEV / NTM Adjusted EBITDA (post-SBC, excl. equity income) trading multiples for Lunar and long-run forecast EBITDA of ~\$250mm. Based on net debt of \$788mm and investments in affiliates and minority interest of \$884mm as of 3/31/16, as per Lunar Management.

(2) Refer to page 17 for further details.

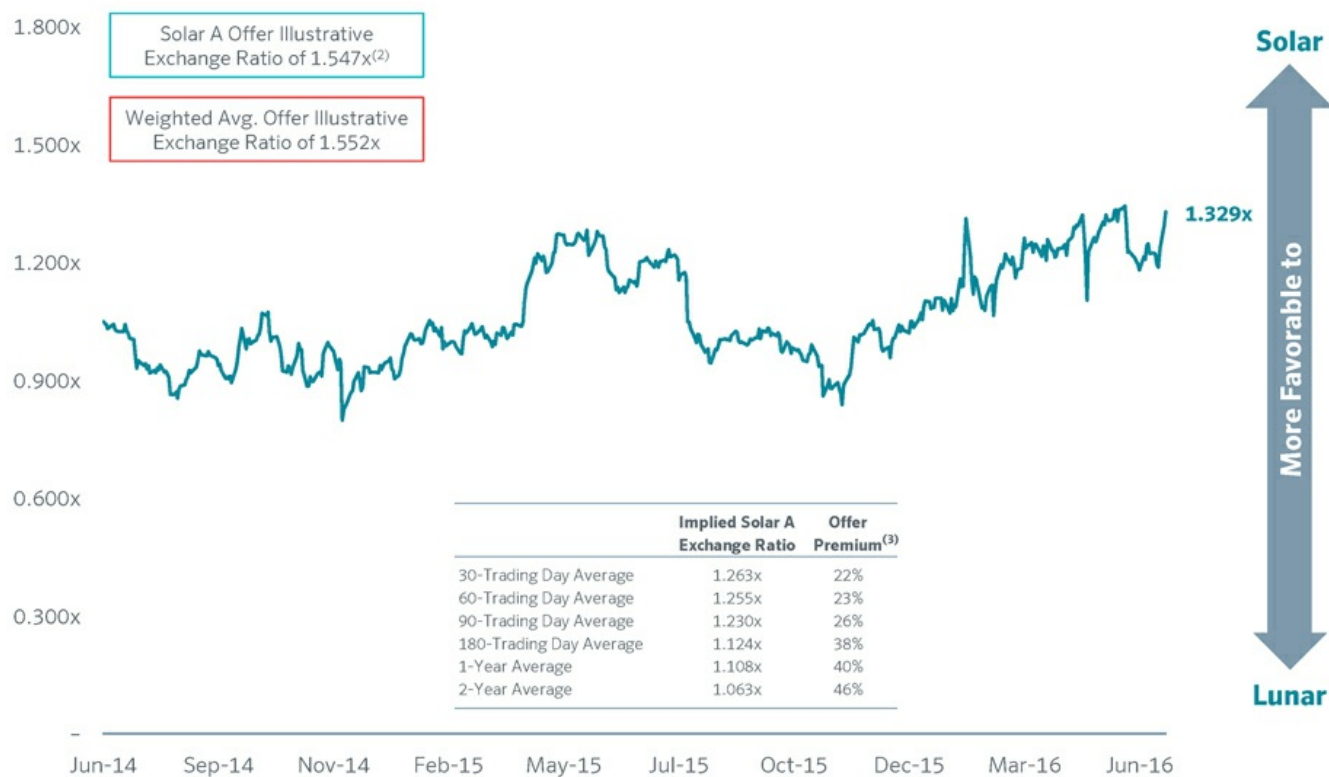
(3) Valuation as of 12/31/16 for DCF analysis. Based on net debt of \$812mm and investments in affiliates and minority interest of \$884mm as of 12/31/16 as per Lunar Management.



IV. Relative Valuation

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Historical Exchange Ratio⁽¹⁾ Solar Class A / Lunar Share Price (For Informational Purposes Only)



Source: Capital IQ and Bloomberg.

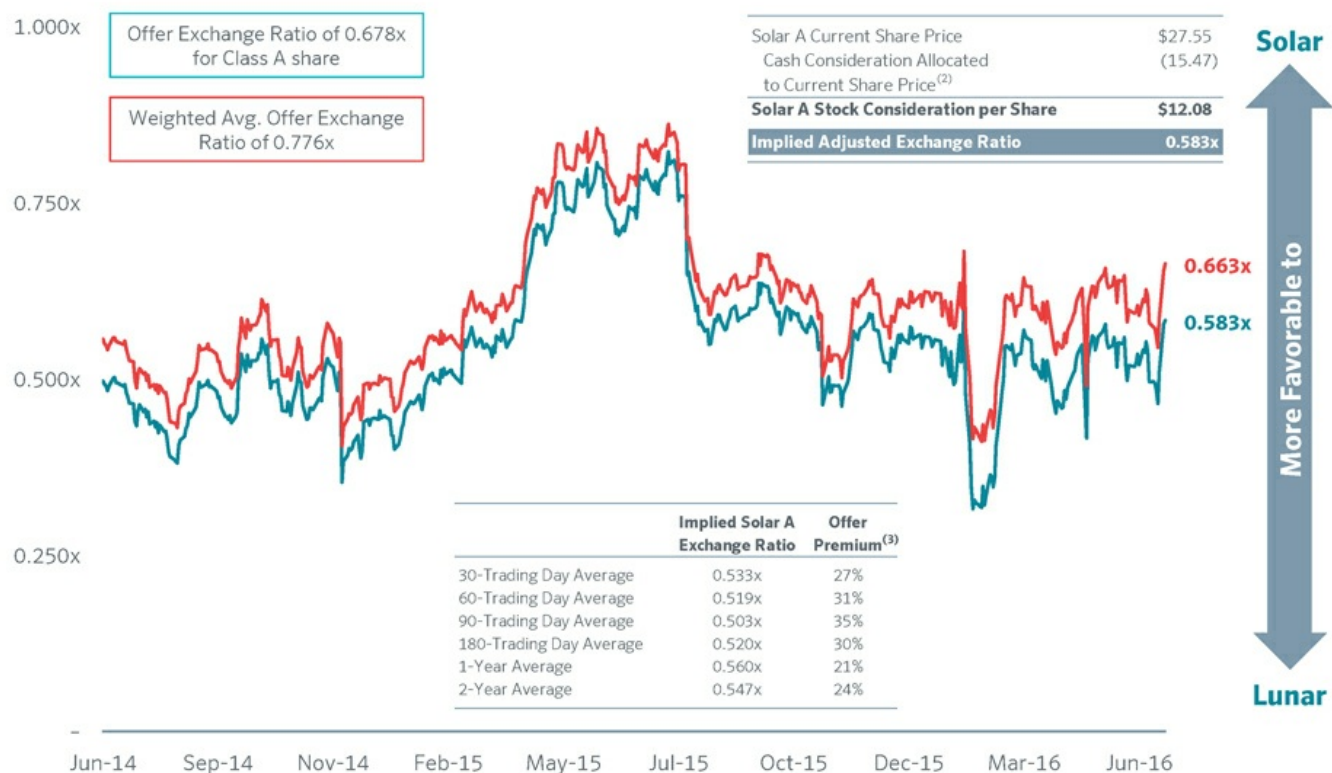
Note: Market data as of 6/21/16.

(1) Solar Class A share price divided by Lunar share price.

(2) Exchange ratio for Solar Class A shares including value of cash.

(3) Premium of offer exchange ratio of 1.547x for Solar Class A shares.

Historical Exchange Ratio - Deal Premium Allocated⁽¹⁾ Solar Share Price / Lunar Share Price (For Informational Purposes Only)



Source: Capital IQ and Bloomberg.

Note: Market data as of 6/21/16.

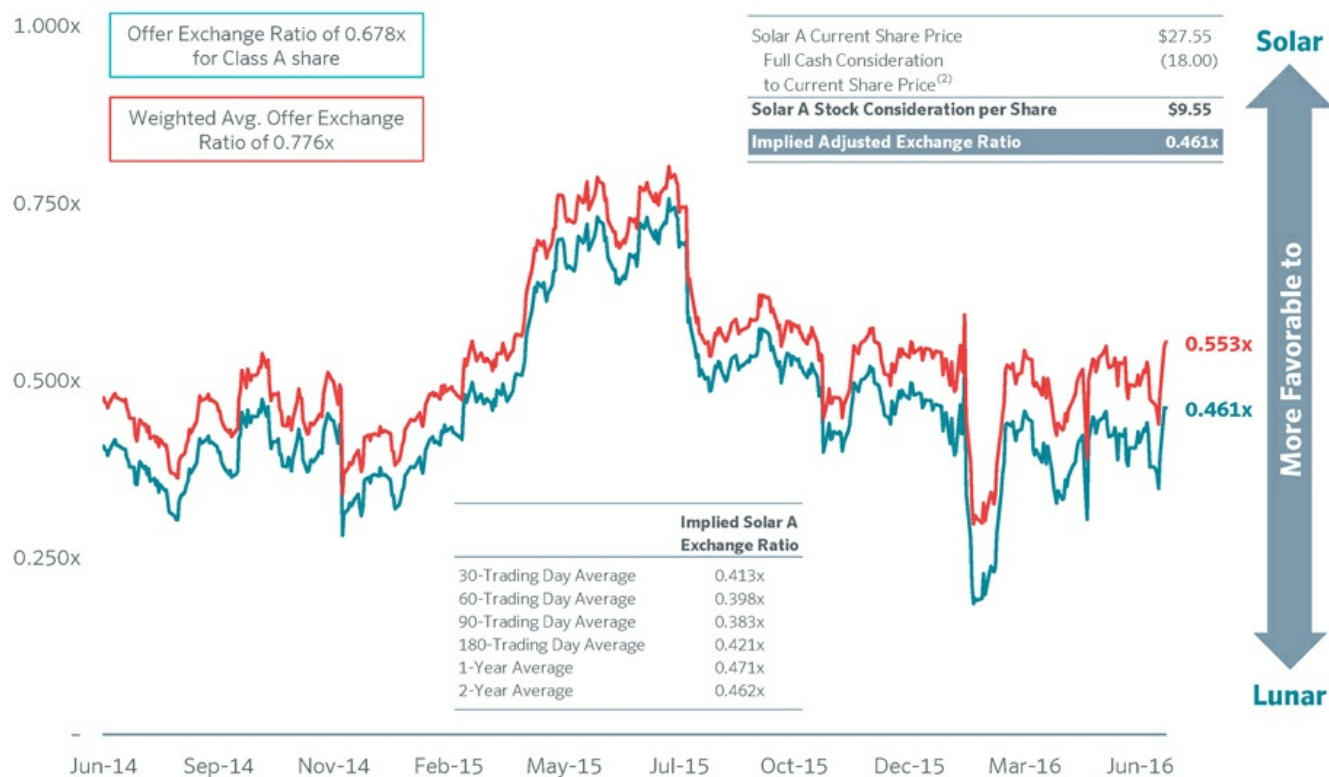
(1) \$18.00 cash consideration and \$14.06 stock consideration per Solar Class A share, a 56%/44% cash/stock mix. Cash consideration allocated pro rata to total offer price, based on Solar

Class A current share price of \$27.55, would imply \$15.47 cash consideration per share.

(2) Represents Solar Class A share price less allocated cash consideration of \$15.47.

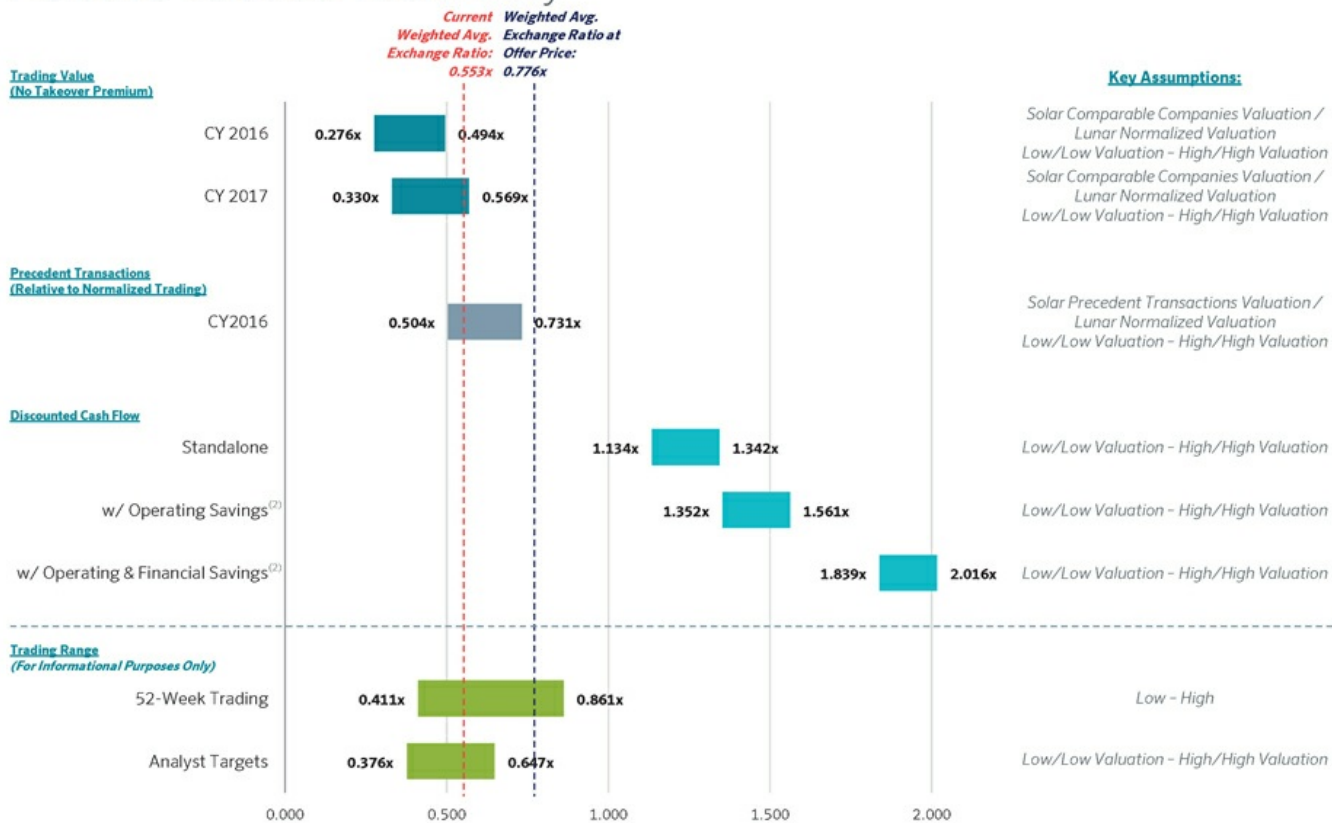
(3) Premium of offer exchange ratio of 0.678x for Solar Class A shares.

Historical Exchange Ratio - Premium Allocated Entirely to Share Consideration⁽¹⁾ Solar Share Price / Lunar Share Price (For Informational Purposes Only)



Source: Capital IQ and Bloomberg.
 Note: Market data as of 6/21/16.
 (1) \$18.00 cash consideration allocated entirely to Solar Class A share price.
 (2) Represents Solar Class A share price less allocated cash consideration of \$18.00.

Relative Valuation Summary⁽¹⁾



Source: Public filings, Lunar Management, Solar Management, Bloomberg and Capital IQ. The Solar Management projections were provided to us by Lunar Management.
 Note: Market data as of 6/21/16.
 (1) Valuation as of 6/21/16 for comparable companies, precedent transactions and normalized trading analysis. Valuation as of 12/31/16 for DCF analysis. Capital structure assumptions based on pages 13 and 18.
 (2) Includes the value of all savings in Solar valuation.



V. Pro Forma Financial and Financing Considerations

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Pro Forma Financial Summary

PROJECTED REVENUE
(US\$ mm)



FY 3/15A FY 3/16A FY 3/17E FY 3/18E FY 3/19E FY 3/20E FY 3/21E

PROJECTED ADJ. EBITDA (PRE-SBC, INCL. EQUITY INCOME)
(US\$ mm)



FY 3/15A FY 3/16A FY 3/17E FY 3/18E FY 3/19E FY 3/20E FY 3/21E

PROJECTED ADJ. EBITDA (POST-SBC, EXCL. EQUITY INCOME)
(US\$ mm)



FY 3/15A FY 3/16A FY 3/17E FY 3/18E FY 3/19E FY 3/20E FY 3/21E

PROJECTED FREE CASH FLOW
(US\$ mm)



FY 3/15A FY 3/16A FY 3/17E FY 3/18E FY 3/19E FY 3/20E FY 3/21E

■ Lunar ■ Solar ■ Synergies ■ Transaction Adjustments

Source: Lunar Management and Solar Management. Projections as provided by Lunar Management.

Sources and Uses

SOURCES AND USES

(US\$ mm)

Sources

Equity Issued	\$1,393
Total New Debt Raised	3,720
Lunar April 2013 1.250% Convertible Notes	60
Solar Cash at 12/31/16E	10
Lunar Cash at 12/31/16E	55

Total	\$5,239
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Uses

Equity Consideration to Solar Shareholders	\$1,393
Cash Consideration to Solar Shareholders	1,592
Refinance Solar Debt	931
Refinance Lunar Debt	807
Lunar April 2013 1.250% Convertible Notes	60
Breakage	30
Fees and Expenses	187
Cash to Balance Sheet	238

Total	\$5,239
--------------	----------------

Note: Assumes transaction closes 12/31/16.

Lunar Financing Package Overview: \$3,720mm of Funded Debt with \$4,570mm of Total Commitments

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Lunar Final Proposal		
RC	Size	> \$1,000mm (\$150mm of which may be drawn at closing)
	Pricing	> L+250 ⁽¹⁾ / no floor / 50 bps upfront
	Pricing Flex	> 125 bps, Max 25 bps OID (on a four-year life)
	Tenor	> 5 years
	Financial Covenants	> Net first lien leverage covenant with initial 35% cushion to management plan, subject to two step downs on 3/31/18 (tbd) and 3/31/17 to 4.5x > Interest coverage covenant with a cushion to management plan, with no step-ups; cushion to be set at a level to be agreed
TLA	Amount	> \$1,000mm
	Pricing	> L + 250 bps ⁽¹⁾ / no floor / 50 bps upfront
	Pricing Flex	> 125 bps, Max 25 bps OID (on a four-year life)
	Tenor	> 5 years
	Call Protection	> None
TLB	Financial Covenants	> Same as revolver
	Amount	> \$1,900mm
	Tenor	> 7 years
	Call Protection	> 101 soft call for 6 months
	Pricing	> L + 375 bps ⁽²⁾ / Libor Floor: 0.75% / OID: 99.00
BRIDGE	Pricing Flex	> 175 bps , step ups of 1) 25 bps if Closing Date not within 4 months of signing and 2) 25 bps if corporate rating less than B1 / B+
	Financial Covenants	> None
	Amount	> \$150mm (unsecured funded bridge facility), \$520mm (unsecured regular-way bridge facility)
	Tenor	> 8 years
	Call Protection	> None, / NC - 3
	Pricing	> Funded bridge facility: L+650 bps (no floor), no step ups / Unsecured regular-way bridge facility: 7.50% with step ups to bridge rate of 50 bps per quarter; 10% cap, 9.50% plus 25 bps after 4 / 7 mos and if rating below B1 / B+; 11.125% weighted average cap
	Structure Flex	> \$250mm moved from TLA to TLB plus additional \$250mm if ratings are below BB- / Ba3; weighted average flex only between TLB and unsecured bridge/bonds, with a maximum unsecured bond cap of 11.125%
	WAM	> 6.6 years
	WACD	> Base case: 4.79%
	WACD	> Flex: 6.61%; Structure Flex: 6.95%
Total Financing Fees	> \$69.2mm	

(1) Subject to leverage-based grid with two step downs of 25bps, the first occurring if plan is met by end of 2016.
 (2) With one leverage-based stepdown.

Pro Forma Capitalization Table

PRO FORMA CAPITALIZATION

(US\$ mm)

	As of 12/31/16		Debt		Pro Forma 12/31/16
	Lunar	Solar	Retirement	Issue	
Cash	\$55	\$10	(\$3,548)	\$3,720	\$238
Existing Debt ⁽¹⁾	867	994	(1,737)	1,737	1,860
New Debt Issued for Transaction			-	1,983	1,983
Total Debt	\$867	\$994			\$3,843
PF CY2016A Adj. EBITDA (pre-SBC, incl. equity income) ⁽²⁾	\$392 ⁽³⁾	\$490			\$934
Gross Debt / PF CY2016A Adj. EBITDA (pre-SBC, incl. equity income)	2.2x	2.0x			4.1x
PF CY2017E Adj. EBITDA (pre-SBC, incl. equity income) ⁽²⁾	\$396 ⁽³⁾	\$543			\$991
Gross Debt / PF CY2017E Adj. EBITDA (pre-SBC, incl. equity income)	2.2x	1.8x			3.9x
PF CY2016A Adj. EBITDA (pre-SBC, incl. equity income) ⁽²⁾	\$207	\$490			\$749
Gross Debt / PF CY2016A Adj. EBITDA (pre-SBC, incl. equity income)	4.2x	2.0x			5.1x
PF CY2017E Adj. EBITDA (pre-SBC, incl. equity income) ⁽²⁾	\$239	\$543			\$834
Gross Debt / PF CY2017E Adj. EBITDA (pre-SBC, incl. equity income)	3.6x	1.8x			4.6x

Note: Assumes transaction closes 12/31/16.

(1) Includes \$63mm of Solar capital leases.

(2) Adj. EBITDA (pre-SBC, incl. equity income) used for financing purposes. Pro forma Adj. EBITDA Includes \$52mm of run-rate cost synergies.

(3) Based on normalized Lunar Adj. EBITDA (post-SBC, excl. equity income) of \$250mm plus SBC and equity income. Refer to page 17 for further details.

Illustrative Incremental Value per Lunar Share

LUNAR SHARE PRICE SENSITIVITY

(US\$ mm, except per share figures)

Illustrative Lunar Share Price	\$21			\$25			\$30		
<i>Per Share Adjustments:</i>									
Plus: Solar Total Value ⁽¹⁾		17			17			17	
Less: Value of Equity Owned by Lunar ⁽²⁾		(1)			(1)			(1)	
Less: Dilution from Issuance of New Shares ⁽³⁾		(6)			(7)			(9)	
Less: Cash Considerations & Incremental Debt ⁽⁴⁾		(12)			(12)			(12)	
Adj. EBITDA (post-SBC) Sensitivity	(\$100)	\$0	\$100	(\$100)	\$0	\$100	(\$100)	\$0	\$100
Assumed EBITDA Multiple	8.4x	8.4x	8.4x	8.4x	8.4x	8.4x	8.4x	8.4x	8.4x
Plus: Incremental Value per Share	(\$4)	\$0	\$4	(\$4)	\$0	\$4	(\$4)	\$0	\$4
Adj. EBITDA (post-SBC) - Solar FY17E EBITDA	\$369	\$469	\$569	\$369	\$469	\$569	\$369	\$469	\$569
Multiple Re-rating 1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x
Plus: Incremental Value per Share	\$2	\$3	\$4	\$2	\$3	\$4	\$2	\$3	\$4
Value of Operating Savings ⁽⁵⁾	\$340	\$340	\$340	\$342	\$342	\$342	\$345	\$345	\$345
Plus: Operating Savings	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Pro Forma Value per Lunar Share	\$20	\$24	\$29	\$23	\$28	\$32	\$27	\$31	\$36
% Premium to Illustrative Lunar Share Price	(3%)	18%	38%	(7%)	11%	28%	(10%)	4%	19%
Value of Financial Savings ⁽⁵⁾	723	735	742	727	739	746	733	745	752
Plus: Financial Savings	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Pro Forma Value per Lunar Share	\$25	\$29	\$34	\$28	\$32	\$37	\$32	\$36	\$40
% Premium to Illustrative Lunar Share Price	20%	41%	62%	12%	30%	47%	6%	20%	35%
Memo: FDSO		153.0			153.7			156.3	

Source: Capital IQ, company filings, Lunar Management and Solar Management. Projections as provided by Lunar Management.

Note: Market data as of 6/21/16.

(1) Based on current Solar enterprise value as of 6/21/16 allocated by Lunar ownership in pro forma company.

(2) Based on current market value of Lunar's ownership in Solar Class A and Class B shares as of 6/21/16 allocated by Lunar ownership in pro forma company.

(3) Based on implied equity value of Lunar shares issued to Solar in the transaction allocated by Lunar ownership in pro forma company.

(4) Based on total cash consideration and incremental debt issued as a result of the transaction allocated by Lunar ownership in pro forma company.

(5) Refer to page 39 for further details.



VI. Appendix

Confidential

Pro Forma Shareholder Ownership

(Figures in millions)

Shareholder	Pro Forma Ownership			
	Basic		Fully-Diluted	
	Voting	Economic	Voting	Economic
MHR Fund Management	19.3%	14.1%	18.6%	13.2%
Capital Research and Management	10.6%	7.8%	10.3%	7.2%
Fidelity	5.4%	7.9%	5.2%	7.4%
Vanguard	4.7%	5.3%	4.6%	4.9%
Malone Ph.D., John C. (Lunar and Solar Director)	7.7%	5.7%	7.4%	5.3%
Naya Capital Management	3.5%	2.5%	3.4%	2.4%
Discovery	3.2%	2.3%	3.1%	2.2%
Liberty Global	3.2%	2.3%	3.1%	2.2%
Kornitzer Capital Management	2.8%	2.1%	2.7%	1.9%
Fairpointe Capital	2.8%	2.1%	2.7%	1.9%
ClearBridge Investments	-	2.0%	-	1.9%
Horizon Kinetics	-	1.8%	-	1.7%
Jana Partners	-	1.7%	-	1.6%
BlackRock, Inc.	-	1.0%	-	0.9%
Citadel	-	0.7%	-	0.7%
Maffei, Gregory (Solar Chairman)	-	0.6%	-	0.5%
Robert Bennett	0.5%	0.4%	0.5%	0.4%
Remaining Shareholders	36.1%	39.8%	34.9%	37.2%
M / L / D / M / B- PF Ownership ⁽¹⁾	14.7%	11.3%	14.1%	10.5%
Total Common Shares Outstanding	100.0%	100.0%	96.5%	93.3%
Dilutive Shares Outstanding			3.5%	6.6%
Fully-Diluted Shares Outstanding			100.0%	100.0%

Source: Company filings, Capital IQ and Bloomberg.

Note: Market data as of 6/21/16.

(1) Malone / Liberty / Discovery / Maffei ownership. Excludes dilutive securities owned by the group.

Overview of Solar Financial Forecast

(US\$ mm)

	FY Ended March 31,						
	FY 3/15A	FY 3/16A	FY 3/17E	FY 3/18E	FY 3/19E	FY 3/20E	FY 3/21E
Solar Networks	1,322	1,330	1,420	1,504	1,579	1,642	1,707
Solar Distribution	344	337	300	311	311	311	311
Solar Animation	30	17	-	-	-	-	-
Elimination	(1)	(3)	(5)	(7)	(7)	(7)	(7)
Revenue	\$1,695	\$1,681	\$1,716	\$1,808	\$1,883	\$1,946	\$2,012
Adjusted EBITDA (Pre-SBC)	\$532	\$434	\$499	\$560	\$618	\$638	\$661
<i>% Margin</i>	31%	26%	29%	31%	33%	33%	33%
Stock-based Compensation	(31)	(33)	(30)	(31)	(32)	(34)	(35)
Adjusted EBITDA (Post-SBC)	\$500	\$401	\$469	\$529	\$586	\$604	\$625
<i>% Margin</i>	30%	24%	27%	29%	31%	31%	31%
Unlevered Pre-Tax Free Cash Flow	\$319	\$391	\$417	\$530	\$546	\$556	\$575
Less: Cash Interest	(46)	(47)	(44)	(42)	(42)	(42)	(42)
Less: Cash Taxes	(134)	(110)	(138)	(166)	(186)	(192)	(199)
Free Cash Flow	\$139	\$235	\$236	\$323	\$319	\$322	\$335

Source: Solar Management projections as provided by Lunar Management.

Solar Networks Revenue By Distributor

(US\$ mm)

	Contract Expiration	CY2013A Revenue	CY2014A Revenue % Change	CY2015A Revenue % Change	CY2016E Revenue % Change	CY2017E Revenue % Change	Commentary
Traditional affiliate							
AT&T	(*)	(*)	(*)	(*)	(*)	(*)	(*)
DIRECTV	(*)	(*)	(*)	(*)	(*)	(*)	(*)
<i>Total DTV/AT&T</i>		(*)	(*)	(*)	(*)	(*)	(*)
Cablevision	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Charter	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Comcast	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Cox	(*)	(*)	(*)	(*)	(*)	(*)	(*)
DISH	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Mediacom	(*)	(*)	(*)	(*)	(*)	(*)	(*)
NCTC	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Suddenlink	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Time Warner	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Verizon	(*)	(*)	(*)	(*)	(*)	(*)	(*)
All other	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total traditional affiliate		(*)	(*)	(*)	(*)	(*)	(*)
OTT							
Amazon	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Dish Sling TV	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Hulu	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other OTT	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Cannibalization	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total OTT		(*)	(*)	(*)	(*)	(*)	(*)
Other	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total networks revenue		1,298	1,312 1%	1,325 1%	1,389 5%	1,464 7%	

Source: Solar Management projections as provided by Lunar Management.

- (1) (*)
- (2) (*)
- (3) (*)
- (4) (*)

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Analysis of Selected Pay TV and OTT Competitors

Network	Avg. Subscribers (mm)			Est. Penetration			Avg. Monthly Revenue / Subscriber			Est. Revenue (US\$ mm)			
	2015A	2016E	2017E	2015A	2016E	2017E	2015A	2016E	2017E	2015A	2016E	2017E	
HBO	HBO Family												
	HBO Pay TV Revenue Generating Units	24.6	25.3	26.4	25%	25%	27%	\$12.00	\$12.18	\$12.36	\$3,541	\$3,695	\$3,921
	HBO Pay TV Non-Revenue Generating Units	5.7	5.5	4.5	6%	5%	5%	-	-	-	-	-	-
	Total HBO	30.3	30.7	30.9				9.73	10.02	10.58	3,541	3,695	3,921
HBO NOW	HBO NOW (OTT)												
		0.3	1.15	1.85				9.75	10.08	10.65	41	161	263
CINEMAX	CINEMAX Pay TV Revenue Generating Units												
		13.0	13.4	14.0	13%	14%	15%	4.14	4.21	4.27	648	676	718
	CINEMAX Pay TV Non-Revenue Generating Units	3.0	2.9	2.4	3%	3%	2%	-	-	-	-	-	-
	Total CINEMAX	16.1	16.3	16.4				3.36	3.46	3.65	648	676	718
	Total HBO	46.7	48.2	49.1				\$7.55	\$7.84	\$8.32	\$4,230	\$4,532	\$4,902
SHOWTIME NETWORKS	Showtime Family												
	Showtime	23.8	24.3	24.6	25%	24%	26%	\$4.85	\$4.95	\$5.15	\$1,386	\$1,427	\$1,512
	The Movie Channel	21.6	21.7	21.7	22%	22%	23%	0.54	0.55	0.55	141	142	144
	FLIX	31.6	31.7	31.7	33%	32%	33%	0.38	0.38	0.39	144	145	147
THE MOVIE CHANNEL	Total Showtime	77.0	77.7	78.1				\$1.81	\$1.84	\$1.92	\$1,671	\$1,715	\$1,803
NETFLIX	Netflix												
	Domestic	43.4	43.4	43.4	45%	44%	45%	\$8.50	\$9.22	\$10.00	\$4,180	\$5,120	\$6,054
	International	27.4	40.0	50.2				7.48	7.67	7.88	1,953	3,138	4,266
	Total Netflix	70.8	83.4	93.6				\$7.22	\$8.25	\$9.19	\$6,134	\$8,257	\$10,320
	Solar Subscribers	23.6	25.0	25.2	24%	25%	26%						
	Europa Subscribers	32.2	32.1	32.1	36%	34%	35%						
	Total Subscribers	55.8	57.1	57.3				\$1.98	\$2.03	\$2.16	\$1,325	\$1,389	\$1,484
	Total U.S. Pay TV Households	96.7	99.2	96.2									

Source: Morgan Stanley Equity Research and Solar Management projections as provided by Lunar Management.

Subscribers by Distributor

SOLAR

	Calendar Year				
	2013A	2014A	2015A	2016E	2017E
Traditional Affiliate					
AT&T	[*]	[*]	[*]	[*]	[*]
DIRECTV	[*]	[*]	[*]	[*]	[*]
Total DTV/AT&T	[*]	[*]	[*]	[*]	[*]
Cablevision	[*]	[*]	[*]	[*]	[*]
Charter	[*]	[*]	[*]	[*]	[*]
Comcast	[*]	[*]	[*]	[*]	[*]
Cox	[*]	[*]	[*]	[*]	[*]
DISH	[*]	[*]	[*]	[*]	[*]
Mediacom	[*]	[*]	[*]	[*]	[*]
NCTC	[*]	[*]	[*]	[*]	[*]
Suddenlink	[*]	[*]	[*]	[*]	[*]
Time Warner	[*]	[*]	[*]	[*]	[*]
Verizon	[*]	[*]	[*]	[*]	[*]
All Other	[*]	[*]	[*]	[*]	[*]
OTT Cannibalization	[*]	[*]	[*]	[*]	[*]
Traditional Affiliate Starz Subs	[*]	[*]	[*]	[*]	[*]
Annual Growth	[*]	[*]	[*]	[*]	[*]
OTT					
Amazon	[*]	[*]	[*]	[*]	[*]
Dish Sling TV	[*]	[*]	[*]	[*]	[*]
Hulu	[*]	[*]	[*]	[*]	[*]
Other OTT	[*]	[*]	[*]	[*]	[*]
OTT Starz Subs	[*]	[*]	[*]	[*]	[*]
Annual Growth	[*]	[*]	[*]	[*]	[*]
Total Starz Subscribers	22.1	23.1	23.6	25.0	25.2
Annual Growth	1.0	0.9	0.5	1.4	0.3

EUROPA

	Calendar Year				
	2013A	2014A	2015A	2016E	2017E
Traditional Affiliate					
AT&T	[*]	[*]	[*]	[*]	[*]
DIRECTV	[*]	[*]	[*]	[*]	[*]
Total DTV/AT&T	[*]	[*]	[*]	[*]	[*]
Cablevision	[*]	[*]	[*]	[*]	[*]
Charter	[*]	[*]	[*]	[*]	[*]
Comcast	[*]	[*]	[*]	[*]	[*]
Cox	[*]	[*]	[*]	[*]	[*]
DISH	[*]	[*]	[*]	[*]	[*]
Mediacom	[*]	[*]	[*]	[*]	[*]
NCTC	[*]	[*]	[*]	[*]	[*]
Suddenlink	[*]	[*]	[*]	[*]	[*]
Time Warner	[*]	[*]	[*]	[*]	[*]
Verizon	[*]	[*]	[*]	[*]	[*]
All Other	[*]	[*]	[*]	[*]	[*]
OTT Cannibalization	[*]	[*]	[*]	[*]	[*]
Traditional Affiliate Starz Subs	[*]	[*]	[*]	[*]	[*]
Annual Growth	[*]	[*]	[*]	[*]	[*]
OTT					
Amazon	[*]	[*]	[*]	[*]	[*]
Dish Sling TV	[*]	[*]	[*]	[*]	[*]
Hulu	[*]	[*]	[*]	[*]	[*]
Other OTT	[*]	[*]	[*]	[*]	[*]
OTT Starz Subs	[*]	[*]	[*]	[*]	[*]
Annual Growth	[*]	[*]	[*]	[*]	[*]
Total Starz Subscribers	34.9	33.8	32.2	32.8	33.2
Annual Growth	0.1	(1.1)	(1.6)	0.6	0.4

Source: Solar Management.

PJT Partners 35

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Market Penetration By Distributor

SOLAR

	Calendar Year				
	2013A	2014A	2015A	2016E	2017E
AT&T	[*]	[*]	[*]	[*]	[*]
DIRECTV	[*]	[*]	[*]	[*]	[*]
<i>Total DTV/AT&T</i>	[*]	[*]	[*]	[*]	[*]
Cablevision	[*]	[*]	[*]	[*]	[*]
Charter	[*]	[*]	[*]	[*]	[*]
Comcast	[*]	[*]	[*]	[*]	[*]
Cox	[*]	[*]	[*]	[*]	[*]
DISH	[*]	[*]	[*]	[*]	[*]
Mediacom	[*]	[*]	[*]	[*]	[*]
NCTC	[*]	[*]	[*]	[*]	[*]
Suddenlink	[*]	[*]	[*]	[*]	[*]
Time Warner	[*]	[*]	[*]	[*]	[*]
Verizon	[*]	[*]	[*]	[*]	[*]
All Other	[*]	[*]	[*]	[*]	[*]
Total Traditional Affiliate	23%	24%	25%	26%	26%

EUROPA

	Calendar Year				
	2013A	2014A	2015A	2016E	2017E
AT&T	[*]	[*]	[*]	[*]	[*]
DIRECTV	[*]	[*]	[*]	[*]	[*]
<i>Total DTV/AT&T</i>	[*]	[*]	[*]	[*]	[*]
Cablevision	[*]	[*]	[*]	[*]	[*]
Charter	[*]	[*]	[*]	[*]	[*]
Comcast	[*]	[*]	[*]	[*]	[*]
Cox	[*]	[*]	[*]	[*]	[*]
DISH	[*]	[*]	[*]	[*]	[*]
Mediacom	[*]	[*]	[*]	[*]	[*]
NCTC	[*]	[*]	[*]	[*]	[*]
Suddenlink	[*]	[*]	[*]	[*]	[*]
Time Warner	[*]	[*]	[*]	[*]	[*]
Verizon	[*]	[*]	[*]	[*]	[*]
All Other	[*]	[*]	[*]	[*]	[*]
Total Traditional Affiliate	37%	36%	34%	35%	35%

Source: Solar Management.

PJT Partners 36

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

DCF Valuation of Solar

(US\$ mm)

CASH FLOW BUILD

	Fiscal Year Ending March 31					Normal.
	Q4 2017E	2018E	2019E	2020E	2021E	
Revenue	\$447	\$1,808	\$1,883	\$1,946	\$2,012	\$2,012
Adj. EBITDA (Post-SBC)	\$128	\$529	\$586	\$604	\$625	\$625
% Margin	29%	29%	31%	31%	31%	31%
Less: Capex	(2)	(51)	(15)	(20)	(21)	(21)
Less: Unlevered Cash Taxes ⁽¹⁾	(40)	(180)	(200)	(206)	(213)	(213)
Less: Cash Spend on Programming in Excess of Amort.	4	49	(8)	(11)	(12)	-
Less: Change in NWC & Other	(7)	(28)	(49)	(51)	(53)	(53)
Unlevered FCF	\$83	\$319	\$314	\$315	\$326	\$339
Stub Factor	1.00	1.00	1.00	1.00	1.00	1.00
Discount Factor ⁽²⁾	0.991	0.947	0.881	0.820	0.762	0.735
PV of UFCF	\$83	\$302	\$277	\$258	\$249	

VALUATION SUMMARY

Valuation Summary	
WACC	7.5%
Terminal EBITDA	\$625
Terminal Multiple	9.25x
Terminal Value	\$5,784
Implied Perpetuity Growth Rate	1.4%
PV of Unlevered Cash Flows	\$1,169
PV of Terminal Value	4,254
Terminal Value as % TEV	78.4%
Implied Enterprise Value	\$5,422

IMPLIED PRICE PER SHARE

		Implied Value per Share				
		WACC (%)				
		7.00%	7.25%	7.50%	7.75%	8.00%
Terminal Value Multiple	8.50x	\$40	\$40	\$39	\$39	\$38
	8.88x	42	41	41	40	40
	9.25x	43	43	42	42	41
	9.63x	45	44	44	43	43
	10.00x	46	46	45	45	44

IMPLIED PERPETUITY GROWTH RATE

		Implied Perpetuity Growth Rate				
		WACC (%)				
		7.00%	7.25%	7.50%	7.75%	8.00%
Terminal Value Multiple	8.50x	0.4%	0.6%	0.8%	1.1%	1.3%
	8.88x	0.6%	0.9%	1.1%	1.3%	1.6%
	9.25x	0.9%	1.1%	1.4%	1.6%	1.8%
	9.63x	1.1%	1.3%	1.6%	1.8%	2.0%
	10.00x	1.3%	1.6%	1.8%	2.0%	2.2%

Source: Solar Management projections as provided by Lunar Management.

(1) Cash taxes estimated based on levered cash taxes adjusted for impact of leverage.

(2) Based on discount rate of 7.5%.

Solar DCF Value Sensitivity

IMPLIED VALUE PER SHARE

EBITDA Sensitivity ⁽¹⁾	Implied FY2017E Adj. EBITDA (post-SBC)	DCF Value per Share at 7.5% Discount Rate		
		8.50x Terminal Multiple	9.25x Terminal Multiple	10.00x Terminal Multiple
\$150	\$619	\$53	\$57	\$61
125	594	50	54	57
100	569	48	51	55
75	544	46	49	52
50	519	43	47	50
25	494	41	44	48
-	469	39	42	45
(25)	444	37	40	43
(50)	419	35	38	40
(75)	394	33	35	38
(100)	369	30	33	36
(125)	344	28	31	33
(150)	319	26	28	31

Source: Solar Management projections as provided by Lunar Management.
 (1) Illustrative annual increase or decrease in Solar Adjusted EBITDA.

DCF Valuation of Combined Synergies

(US\$ mm)

CASH FLOW BUILD

	Fiscal Year Ending March 31					Normal.
	2017E	2018E	2019E	2020E	2021E	
Operating Savings	-	\$52	\$52	\$52	\$52	\$52
Integration Costs	(5)	(20)	-	-	-	-
Less: Unlevered Cash Taxes ⁽¹⁾	-	-	-	-	-	(8)
Unlevered FCF	(\$5)	\$32	\$52	\$52	\$52	\$44
Discount Factor ⁽²⁾	0.991	0.947	0.881	0.820	0.762	0.735
PV of Operating Savings	(\$5)	\$31	\$46	\$43	\$40	\$33

	Fiscal Year Ending March 31					Normal.
	2017E	2018E	2019E	2020E	2021E	
Financial Savings	\$39	\$161	\$181	\$187	\$115	\$60
Stub Factor	1.00	1.00	1.00	1.00	1.00	
Discount Factor ⁽²⁾	0.989	0.937	0.860	0.789	0.724	0.535
PV of Financial Savings	\$38	\$151	\$155	\$147	\$83	

SYNERGIES VALUATION SUMMARY

Operating Savings	
WACC	7.5%
Terminal EBITDA	\$52
Terminal Multiple	9.25x
Terminal Value	\$484
PV of Unlevered Cash Flows	\$154
PV of Terminal Value	356
Total Operating Savings	\$510

Financial Savings	
Cost of Equity	9.0%
PV of Unlevered Cash Flows	\$743
PV of Terminal Value (No Growth)	\$360
Value of Operating Savings	\$510
Value of Financial Savings	1,103
Total Value	\$1,613

IMPLIED TOTAL VALUE

Terminal Value Multiple	Implied Total Value				
	WACC (%)				
	7.00%	7.25%	7.50%	7.75%	8.00%
8.50x	\$1,636	\$1,610	\$1,584	\$1,560	\$1,537
8.88x	1,651	1,624	1,599	1,574	1,551
9.25x	1,666	1,639	1,613	1,589	1,565
9.63x	1,681	1,654	1,628	1,603	1,579
10.00x	1,695	1,668	1,642	1,617	1,593

Source: Lunar Management estimates.

(1) Cash taxes estimated based on levered cash taxes adjusted for impact of leverage.

(2) Based on discount rate of 7.5%.

(3) Based on discount rate of 9.0%.

IMPLIED VALUE PER SHARE

Terminal Value Multiple	Implied Value per Share				
	WACC (%)				
	7.00%	7.25%	7.50%	7.75%	8.00%
8.50x	\$15	\$15	\$15	\$15	\$14
8.88x	15	15	15	15	14
9.25x	16	15	15	15	15
9.63x	16	15	15	15	15
10.00x	16	16	15	15	15

Overview of Lunar Financial Forecast

(US\$ mm)

	FY Ended March 31,						
	FY 3/15A	FY 3/16A	FY 3/17E	FY 3/18E	FY 3/19E	FY 3/20E	FY 3/21E
Motion Picture	1,820	1,677	1,874	1,913	2,404	2,299	2,314
Television Production	579	670	979	1,094	1,188	1,136	1,144
Revenue Adjustment	-	6	(12)	(47)	(108)	-	-
Revenue (Adjusted)	\$2,400	\$2,353	\$2,841	\$2,960	\$3,484	\$3,435	\$3,457
Adjusted EBITDA (Pre-SBC, Incl. Equity Income)	\$385	\$162	\$251	\$263	\$348	\$364	\$363
<i>% Margin</i>	16%	7%	9%	9%	10%	11%	11%
Stock-based Compensation	(80)	(78)	(86)	(85)	(49)	(51)	(52)
Equity Income	(42)	(51)	(59)	(43)	(47)	(75)	(75)
Adjusted EBITDA (Post-SBC, Excl. Equity Income)	\$263	\$32	\$106	\$136	\$252	\$238	\$236
<i>% Margin</i>	11%	1%	4%	5%	7%	7%	7%
Unlevered Pre-Tax Free Cash Flow	\$313	\$126	\$155	\$172	\$202	\$292	\$312
Less: Cash Interest	(36)	(45)	(50)	(46)	(35)	(35)	(35)
Less: Cash Taxes	(15)	(10)	(12)	(11)	(14)	(14)	(14)
Free Cash Flow	\$262	\$70	\$93	\$115	\$152	\$243	\$262

Source: Lunar Management.

DCF Valuation of Lunar

(US\$ mm)

CASH FLOW BUILD

	Fiscal Year Ending March 31					Normal
	Q4 2017E	2018E	2019E	2020E	2021E	
Revenue (Adjusted)	\$849	\$2,960	\$3,484	\$3,435	\$3,457	\$3,457
Adj. EBITDA (Post-SBC, Excl. Equity Income)	\$69	\$136	\$252	\$238	\$236	\$236
% Margin	8%	5%	7%	7%	7%	7%
Less: Capex	(2)	(7)	(7)	(10)	(10)	(10)
Less: Unlevered Cash Taxes ⁽¹⁾	(3)	(11)	(14)	(14)	(14)	(34)
Less: Cash Spend on Programming in Excess of Amort.	63	51	(34)	14	14	-
Less: Change in NWC & Other	5	(91)	(58)	-	20	20
Unlevered FCF	\$133	\$76	\$138	\$227	\$245	\$212
Stub Factor	1.00	1.00	1.00	1.00	1.00	1.00
Discount Factor ⁽²⁾	0.990	0.941	0.867	0.799	0.736	0.707
PV of UFCF	\$132	\$72	\$120	\$181	\$181	

VALUATION SUMMARY

Valuation Summary	
WACC	8.5%
Terminal EBITDA	\$236
Terminal Multiple	15.0x
Terminal Value	\$3,536
Implied Perpetuity Growth Rate	2.1%
PV of Unlevered Cash Flows	\$685
PV of Terminal Value	2,500
Terminal Value as % TEV	78.5%
Implied Enterprise Value	\$3,185

IMPLIED PRICE PER SHARE

		Implied Value per Share				
		WACC (%)				
		8.00%	8.25%	8.50%	8.75%	9.00%
Terminal Value Multiple	14.0x	\$21	\$20	\$20	\$20	\$20
	14.5x	21	21	21	21	20
	15.0x	22	21	21	21	21
	15.5x	22	22	22	22	21
	16.0x	23	23	22	22	22

IMPLIED PERPETUITY GROWTH RATE

		Implied Perpetuity Growth Rate				
		WACC (%)				
		8.00%	8.25%	8.50%	8.75%	9.00%
Terminal Value Multiple	14.0x	1.2%	1.5%	1.7%	1.9%	2.2%
	14.5x	1.5%	1.7%	1.9%	2.1%	2.4%
	15.0x	1.7%	1.9%	2.1%	2.4%	2.6%
	15.5x	1.9%	2.1%	2.3%	2.5%	2.8%
	16.0x	2.0%	2.3%	2.5%	2.7%	3.0%

Source: Lunar Management.

(1) Cash taxes estimated based on levered cash taxes adjusted for impact of leverage.
 (2) Based on discount rate of 8.5%.

Pro Forma Financial Projections of the Combined Company

(US\$ mm)

	FY Ended March 31,			
	PF 2018	PF 2019	PF 2020	PF 2021
Revenue	\$4,768	\$5,367	\$5,381	\$5,469
% Growth				
Adj. EBITDA (pre-SBC, incl. equity income)⁽¹⁾	\$876	\$1,018	\$1,054	\$1,076
% Margin	18%	19%	20%	20%
Plus: Film and Television Amortization	1,509	1,784	1,712	1,722
Less: Cash Investment in Films and Television	(1,757)	(2,086)	(1,966)	(1,976)
Plus: Program Rights Payments	(276)	(394)	(410)	(437)
Less: Amortization of Program Rights Payments	624	653	666	692
Less: Net Change in Working Capital	(78)	(95)	(47)	(29)
Less: Capital Expenditure	(27)	(22)	(30)	(31)
Less: Other Adjustments	(104)	(60)	(79)	(79)
Plus: Interest Income from Intercompany Loan	214	214	214	214
Less: Net Interest Expense	(373)	(352)	(320)	(281)
Less: Tax Payments	(16)	(19)	(19)	(99)
Free Cash Flow	\$591	\$643	\$775	\$774
Secured Debt Outstanding	\$2,124	\$1,481	\$706	\$63
Unsecured Debt Outstanding	730	670	670	539
Total Debt Outstanding	\$2,854	\$2,151	\$1,376	\$602
Net Debt Outstanding	2,804	2,101	1,326	552
Cash Balance	\$50	\$50	\$50	\$50
Secured Debt / Adj. EBITDA	2.4x	1.5x	0.7x	0.1x
Total Debt / Adj. EBITDA	3.3x	2.1x	1.3x	0.6x
Net Debt / Adj. EBITDA	3.2x	2.1x	1.3x	0.5x
Secured Debt % Paid Down	30%	51%	77%	98%
Total Debt % Paid Down	25%	44%	64%	84%
Free Cash Flow as % of Total Debt	21%	30%	56%	129%
Free Cash Flow as % of Net Debt	21%	31%	58%	140%
Interest Coverage Ratio	5.5x	7.4x	10.0x	16.1x
Fixed Charge Ratio	5.3x	7.3x	9.7x	15.6x

Source: Lunar Management and Solar Management. Projections as provided by Lunar Management.
 (1) Includes synergies.

Solar WACC Analysis

Assumptions

Risk Free Rate ⁽¹⁾	2.02%
Equity Risk Premium ⁽²⁾	6.03%
Size Premium ⁽³⁾	1.49%
Unlevered Beta ⁽⁴⁾	0.746
Cost of Debt (Pre-Tax)	4.2%
Debt / Equity ⁽⁵⁾	39.5%
Debt / Total Cap	28.3%
Tax Rate	32.4%

Levered Beta Calculation

Unlevered Beta	0.746
Debt / Equity	39.5%
Levered Beta	0.945

Cost of Equity Calculation

Risk Free Rate	2.02%
Equity Risk Premium	6.03%
Levered Beta	0.945
Size Premium	1.49%
Country Risk Premium	0.00%
Cost of Equity	9.21%

WACC Calculation

Cost of Equity	9.21%
After-Tax Cost of Debt	2.82%
WACC	7.40%

Debt / Total Cap	Debt / Equity	Equity / Total Cap	Unlevered Beta	Levered Beta	Size Premium	Cost of Equity	PT Cost of Debt	AT Cost of Debt	WACC
10%	11%	90%	0.75	0.80	1.49%	8.3%	4.2%	2.8%	7.8%
15%	18%	85%	0.75	0.83	1.49%	8.5%	4.2%	2.8%	7.7%
20%	25%	80%	0.75	0.87	1.49%	8.8%	4.2%	2.8%	7.6%
25%	33%	75%	0.75	0.91	1.49%	9.0%	4.2%	2.8%	7.5%
30%	43%	70%	0.75	0.96	1.49%	9.3%	4.2%	2.8%	7.4%
35%	54%	65%	0.75	1.02	1.49%	9.6%	4.2%	2.8%	7.3%
40%	67%	60%	0.75	1.08	1.49%	10.0%	4.2%	2.8%	7.1%

Source: Capital IQ, Bloomberg.

(1) 20-year treasury yield as of 6/21/16.

(2) 2016 Duff & Phelps Valuation Handbook.

(3) 2016 Duff & Phelps Valuation Handbook. Size premium for companies with market capitalizations between \$2.1bn and \$3.2bn.

(4) Based on median of 2-year weekly adjusted beta for Solar. 2-year weekly adjusted beta used given Solar spin-off in 2013.

(5) Equity includes adjustment for minority interest.

Lunar WACC Analysis

Assumptions

Risk Free Rate ⁽¹⁾	2.02%
Equity Risk Premium ⁽²⁾	6.03%
Size Premium ⁽³⁾	0.99%
Unlevered Beta ⁽⁴⁾	0.908
Cost of Debt (Pre-Tax)	3.9%
Debt / Equity ⁽⁵⁾	23.8%
Debt / Total Cap	19.2%
Tax Rate	15.0%

Levered Beta Calculation

Unlevered Beta	0.908
Debt / Equity	23.8%
Levered Beta	1.092

Cost of Equity Calculation

Risk Free Rate	2.02%
Equity Risk Premium	6.03%
Levered Beta	1.092
Size Premium	0.99%
Country Risk Premium	0.00%
Cost of Equity	9.59%

WACC Calculation

Cost of Equity	9.59%
After-Tax Cost of Debt	3.29%
WACC	8.38%

Debt / Total Cap	Debt / Equity	Equity / Total Cap	Unlevered Beta	Levered Beta	Size Premium	Cost of Equity	PT Cost of Debt	AT Cost of Debt	WACC
10%	11%	90%	0.91	0.99	0.99%	9.0%	3.9%	3.3%	8.4%
15%	18%	85%	0.91	1.04	0.99%	9.3%	3.9%	3.3%	8.4%
20%	25%	80%	0.91	1.10	0.99%	9.6%	3.9%	3.3%	8.4%
25%	33%	75%	0.91	1.17	0.99%	10.0%	3.9%	3.3%	8.4%
30%	43%	70%	0.91	1.24	0.99%	10.5%	3.9%	3.3%	8.3%
35%	54%	65%	0.91	1.32	0.99%	11.0%	3.9%	3.3%	8.3%
40%	67%	60%	0.91	1.42	0.99%	11.6%	3.9%	3.3%	8.3%

Source: Capital IQ, Bloomberg.

(1) 20-year treasury yield as of 6/21/16.

(2) 2016 Duff & Phelps Valuation Handbook.

(3) 2016 Duff & Phelps Valuation Handbook. Size premium for companies with market capitalizations between \$3.2bn and \$5.2bn.

(4) Based on median of 5-year monthly adjusted beta for Lunar.

(5) Equity includes adjustment for minority interest.

Summary of Lunar's Equity Investments

(US\$ mm)

Equity investments (Ownership)	Description	Ownership	Value
NextPoint, Inc. ("Break Media") - Defy Media Group	Break Media, a multiplatform digital media company focused on male-targeted content creation and distribution. In October 2013, Break Media merged with Alloy Digital to create DEFY Media	16%	[*]
Roadside Attractions, LLC ("Roadside")	An independent theatrical distribution company, releasing films such as Mr. Holmes, Love & Mercy, A Most Wanted Man, Dear White People, The Skeleton Twins, All Is Lost, Mud, Winter's Bone, The Cove, Arbitrage, Margin Call and Super Size Me	43%	[*]
Studio 3 Partners, LLC ("EPIX")	A JV with Viacom, its Paramount Pictures unit and MGM. A premium network that delivers recent movie releases, film franchises, original series, documentaries, comedy and music events on television, on demand, online and on devices	31%	[*]
Starz LLC	Subscription video programming on domestic U.S. pay television networks (Starz Networks) and global content distribution (Starz Distribution)	5% / 15% Voting	130
Celestial Tiger Entertainment	A JV with Saban Capital Group, Celestial is a diversified media company based in Hong Kong that operates pay television entertainment channels in Asia and oversees Lunar's distribution rights in Greater China and Southeast Asia	16%	[*]
POP (TV Guide Network)	A JV with CBS, combines a broadcast network and first-run syndication series (Entertainment Tonight, The Insider) the studio that produces and distributes the blockbuster Hunger Games, Twilight and Divergent franchises and produces TV series as Mad Men and Orange is the New Black	50%	[*]
Pantellion films	A JV with Videocine, an affiliate of Televisa, which produces, acquires and distributes a slate of English and Spanish language feature films that target Hispanic moviegoers in the U.S.	49%	[*]
Atom Tickets	A theatrical movie discovery service through an Android and iOS app designed used to prepurchase tickets and concessions	20%	[*]
Tribeca Short list	Streaming Video On Demand ("SVOD") service with Tribeca Enterprises, a diversified global media company which owns and operates the Tribeca Film Festival	75%	[*]
Next Games	Mobile games developer founded in 2013 and headquartered in Helsinki, Finland	NA	[*]
Telltale Games	An independent developer and publisher of games for interactive platforms from home consoles and PC to mobile and tablet devices, particularly in the episodic delivery of digital gaming content	NA	[*]
Total Equity Investments			5[*]

Source: Lunar Management.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Solar Broker Estimates

BROKER	DATE	TARGET PRICE	MULTIPLE	METHODOLOGY/COMMENTARY
Macquarie	5/01/16	\$28.00	6.8x '17E EBITDA	<ul style="list-style-type: none"> > Price catalysts include original programming, positive video net adds, and M&A > Increase from previous target of \$27.00 due to subscriber ramp and programming cost stabilization
Deutsche Bank	4/29/16	\$47.00	N/A	<ul style="list-style-type: none"> > \$43/share in stand-alone value, derived from DCF assuming 8.1% WACC > "\$4 per share in value for estimated synergies in a hypothetical deal with LGF"
Morgan Stanley	4/29/16	\$27.00	10.5x 2020E FCF/shr	<ul style="list-style-type: none"> > Discounted back to '16 at 10% cost of equity
FBN	4/29/16	\$35.38	8.5x '16E OIBDA of \$509mm	<ul style="list-style-type: none"> > "Due to the scarcity value of a premium network with the growth opportunity Starz has, we can argue the equity is worth a solid double digit multiple"
Pivotal Research Group	4/29/16	\$32.00	8.5x '16E EBITDA of \$486mm	<ul style="list-style-type: none"> > N/A
Evercore ISI	4/29/16	\$33.00	N/A	<ul style="list-style-type: none"> > Target based on DCF valuation, which excludes a possible sale transaction
Goldman Sachs	4/29/16	\$30.00	N/A	<ul style="list-style-type: none"> > N/A
FBR	4/29/16	\$26.00	N/A	<ul style="list-style-type: none"> > N/A
Drexel Hamilton	4/29/16	\$27.50	N/A	<ul style="list-style-type: none"> > N/A

Source: Company Filings, Bloomberg, Wall Street Research, Thomson One and CapitalIQ.

Lunar Broker Estimates

BROKER	DATE	TARGET PRICE	MULTIPLE	METHODOLOGY/COMMENTARY
RBC Capital Markets	6/10/16	\$23.00	14.4x CY2016E /CY2017E EBITDA	<ul style="list-style-type: none"> > "The next leg in valuation will likely come from key movies doing well (or not) as we think investors have taken a 'show me' approach to the slate." > "While nothing was said on the Starz front, we've updated our forecast and think a deal could be highly accretive to LGF Adj. EPS on debt/equity financing of 40%/60%."
Pacific Crest Securities	6/7/16	\$27.00	N/A	> N/A
Piper Jaffray	6/7/16	\$30.00	N/A	> 5-year DCF, 9.0x term EBITDA multiple and 7.2% WACC
Argus Research	6/6/16	\$34.00	N/A	> N/A
Barrington Research	6/6/16	\$27.00	15x FY2017E EBITDA	> "The variety of potential contributors to continuing growth is sufficiently impressive and largely visible, along with management's demonstrated risk mitigation skills, that we are encouraged as to the ability of Lionsgate's management to sustain its momentum, albeit unevenly..."
FBR Capital Markets	6/5/16	\$23.00	N/A	> N/A
Evercore ISI	6/5/16	\$32.00	N/A	> N/A
Bernstein	6/3/16	\$34.00	N/A	> N/A
Cowen	6/2/16	\$22.00	N/A	> N/A
B Riley & Co	5/31/16	\$30.00	N/A	> N/A

Source: Company Filings, Bloomberg, Wall Street Research, Thomson One and CapitalIQ.

Lunar Broker Estimates (Cont'd)

BROKER	DATE	TARGET PRICE	MULTIPLE	METHODOLOGY/COMMENTARY
Macquarie	5/30/16	\$27.00	13x FY2018E EBITDA	> "Lionsgate is now one of few remaining independent studios and its strategic value will likely continue to rise"
Goldman Sachs	5/27/16	\$24.00	N/A	> N/A
Jefferies	5/27/16	\$29.00	18x FY2018E EBITDA	> "We believe our multiple factors in the uncertainty around film contribution, but gives LGF a premium valuation to the group given the scarcity of platform agnostic content cos."
Wunderlich Securities	5/27/16	\$32.00	N/A	> DCF, 11.2% WACC and 3.25% PGR
Topeka Capital Markets	5/27/16	\$40.00	N/A	> N/A
J.P. Morgan	5/26/16	\$26.00	25x FY2018E EPS	> "We continue to favor Lionsgate longer-term as a pure-play content provider that we believe sits in a unique position in the media ecosystem as the last independent studio of notable size."

Analyst Perspectives on HBO and Showtime

EQUITY RESEARCH BENCHMARKING - HBO & SHOWTIME

	Date	NAV	Revenue			Revenue Growth			EBITDA			EBITDA Margin			Multiple		
			2016E	2017E	2018E	2016E	2017E	2018E	2016E	2017E	2018E	2016E	2017E	2018E	2016E	2017E	2018E
HBO																	
Wedbush	5/25/2016	\$16,522	\$6,075	-	-	8.2%	-	-	\$1,816	\$1,951	-	32.3%	32.1%	-	9.1x	8.5x	-
Nomura	5/5/2016	29,349	5,990	6,544	-	6.7%	9.3%	-	2,174	2,555	-	38.7%	42.7%	-	13.5x	12.5x	-
MKM	5/5/2016	-	5,928	6,370	6,873	5.6%	7.5%	7.9%	2,145	2,315	2,537	38.2%	39.1%	39.8%	-	-	-
Cowen	5/5/2016	-	5,934	6,263	6,580	5.7%	5.5%	5.1%	2,140	2,297	2,449	38.1%	38.7%	39.1%	-	-	-
Wunderlich	5/5/2016	26,375	5,951	6,410	6,906	6.0%	7.7%	7.7%	2,105	2,326	2,577	37.5%	39.1%	40.2%	12.5x	11.7x	-
Morgan Stanley	5/5/2016	29,055	5,930	6,315	6,725	5.6%	6.5%	6.5%	2,127	2,349	2,590	37.9%	39.6%	41.0%	-	-	-
Deutsche Bank	5/5/2016	-	5,892	6,273	6,759	4.9%	6.5%	7.7%	-	-	-	-	-	-	-	-	-
JBL	5/5/2016	-	5,950	-	-	6.0%	-	-	-	-	-	-	-	-	-	-	-
JP Morgan	5/4/2016	-	5,951	5,988	6,449	5.9%	0.6%	7.7%	2,097	2,356	-	37.3%	39.6%	-	-	-	-
RBC	5/4/2016	-	5,919	6,320	-	5.4%	6.8%	-	2,083	-	-	37.1%	-	-	14.0x	-	-
UBS	5/4/2016	-	5,954	6,411	-	6.0%	7.7%	-	2,129	2,275	-	37.9%	38.2%	-	-	-	-
Wells Fargo	5/4/2016	-	5,895	6,222	-	5.0%	5.5%	-	2,140	2,219	-	38.1%	37.6%	-	-	-	-
Guggenheim	5/4/2016	-	5,943	6,417	-	5.8%	8.0%	-	2,103	2,413	-	37.5%	40.6%	-	-	-	-
Macquarie	5/4/2016	-	5,864	6,190	6,561	4.4%	5.6%	6.0%	-	-	-	-	-	-	-	-	-
Median		\$27,715	\$5,939	\$6,318	\$6,725	5.8%	6.6%	7.7%	\$2,127	\$2,321	\$2,557	37.9%	39.1%	40.0%	13.0x	11.9x	10.8x
Showtime																	
Morgan Stanley	5/4/2016	\$11,817	\$2,725	\$2,985	\$3,107	(8.4%)	9.6%	4.1%	\$929	\$992	\$1,063	31.2%	36.4%	35.6%	12.7x	11.9x	11.1x
Median		\$11,817	\$2,725	\$2,985	\$3,107	(8.4%)	9.6%	4.1%	\$929	\$992	\$1,063	31.2%	36.4%	35.6%	12.7x	11.9x	11.1x

Source: Wall Street research.

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STRICTLY CONFIDENTIAL

Project Galaxy

Board of Directors Discussion Materials



June 14th, 2016

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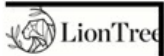
Section 1

Executive Summary



Process Update

- Saturn has received two proposals for a potential acquisition of the Company:
 - ▶ An all stock proposal from [REDACTED]
 - ▶ A cash and stock proposal from Luna
- In addition, there have been discussions with [REDACTED] around an investment in primary and secondary shares of Saturn [REDACTED]
 - ▶ [REDACTED] is behind on diligence and isn't a realistic partner on the same timeline as the other parties
- JCM, who controls 33% of the vote of Saturn, has expressed strong desire to see a deal announced in short order
 - ▶ Among other considerations, JCM has expressed view that any transaction partner should [REDACTED]
 - ▶ As a reminder, Luna controls just under 15% of the vote in Saturn
- Both [REDACTED] and Luna are working to be in a position to announce a potential transaction as soon as possible
 - ▶ [REDACTED] is done with diligence (other than review of un-redacted agreements and [REDACTED] information held back to date), has received unanimous preliminary Board approval (subject to final approval) and is in the final stages of merger agreement negotiations
 - [REDACTED] conditionality language still being negotiated
 - ▶ Luna is finishing diligence, negotiating the merger agreement, and working hard to get financing commitments in place



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Saturn Offer Comparison

	Saturn @ Market	Current Value of Luna Offer		Current Value of [REDACTED] Offer	
		Luna @ Market	@ 3.0% Discount	Fixed Exchange Ratio	Fixed \$33 Price
<i>(\$mm, unless indicated)</i>					
Current Acquiror Stock Price:		\$21.25	\$21.25		
Exchange Ratio		0.566x	0.566x	0.600x	0.633x
Stock Per Share		\$12.03	\$11.67²	\$31.27	\$33.00
Cash Per Share		\$20.00	\$20.00	-	-
Price / Total Offer Value Per Class A Share (\$)	\$26.01	\$32.03	\$31.67	\$31.27	\$33.00
<i>Implied Premium to Current Class A Price of \$26.01</i>	-	23.1%	21.7%	20.2%	26.9%
<i>Implied Premium to 30-Day VWAP of \$26.74</i>	(2.7%)	19.8%	18.4%	16.9%	23.4%
Equity Value¹	2,687	3,381	3,343	3,296	3,489
Plus: Net Debt & Other	1,096	1,096	1,096	1,096	1,096
Enterprise Value	3,783	4,477	4,439	4,392	4,585

	Metric		Implied Multiples			
	(\$mm)					
<u>EV / EBITDA (Pre-SBC)</u>						
CY 2016E EBITDA - Management Case	490	7.7x	9.1x	9.1x	9.0x	9.4x
CY 2017E EBITDA - Management Case	543	7.0x	8.3x	8.2x	8.1x	8.5x
CY 2016E EBITDA - Research Case	466	8.1x	9.6x	9.5x	9.4x	9.8x
CY 2017E EBITDA - Research Case	521	7.3x	8.6x	8.5x	8.4x	8.8x
<u>EV / EBITDA (Post-SBC)</u>						
CY 2016E EBITDA - Management Case	460	8.2x	9.7x	9.7x	9.6x	10.0x
CY 2017E EBITDA - Management Case	511	7.4x	8.8x	8.7x	8.6x	9.0x
CY 2016E EBITDA - Research Case	435	8.7x	10.3x	10.2x	10.1x	10.5x
CY 2017E EBITDA - Research Case	490	7.7x	9.1x	9.1x	9.0x	9.4x

Source: Saturn management projections as of June 2016, public company filings, Wall Street research

Note: Prices as of June 13, 2016

1) Includes 93.5mm Series A and 9.9mm Series B shares; for purpose of calculating equity value, 10% premium is applied to Series B shares

2) Discount of non voting to voting shares, please see page 35 for detail

3) JCM has 0.1mm shares of Series A Saturn stock and 6.2mm shares of Series B Saturn stock for a total voting stake of 33.1%, economic stake of 6.1% and a value of \$164mm; JCM has 4.4mm shares of Luna common stock for a total voting stake of 2.9%, economic stake of 2.9% and a value of \$94mm

4) Luna has 2.1mm shares of Series A Saturn stock and 2.6mm shares of Series B Saturn stock for a total voting stake of 15.0%, economic stake of 4.6% and a value of \$122mm



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Comparison of Offers

	Luna	[REDACTED]	[REDACTED]
Price / Value	<ul style="list-style-type: none"> \$20.00 per share in cash + 0.566x shares of Luna implies \$31.67 per share (based on Luna Monday closing share price of \$21.25)¹ As part of the transaction, Luna will recapitalize its shares into voting and non-voting structure Consideration received by Saturn A shareholders will be in the form of non-voting stock 	<ul style="list-style-type: none"> \$33.00 fixed value OR <ul style="list-style-type: none"> 0.600x fixed exchange ratio Implies \$31.27 based on current price² and \$32.17 based on 30-day VWAP 	<ul style="list-style-type: none"> DCF value per share, pro forma for 3.75% increase in annual [REDACTED] revenue: <ul style="list-style-type: none"> Mgmt./Research Avg. - \$27-32 Class A shares to receive 10% premium <ul style="list-style-type: none"> \$50.65 based on current prices² Class B shares to receive 20% premium <ul style="list-style-type: none"> \$33.38 based on current prices²
Consideration	<ul style="list-style-type: none"> ~ 63% cash / 37% non-voting stock 10% premium and voting stock to Class B <ul style="list-style-type: none"> B Counter: \$22.00 in cash + 0.623x shares of Luna voting stock PF Saturn ownership of 27.1% pre-equity raise and 24.4% post-equity raise Resulting in PF net leverage of -5.6x pre-equity raise excluding synergies and -4.9x including synergies³ Post-equity raise PF net leverage of -5.3x excluding synergies and -4.7x including synergies³ Expect to need \$500mm of equity financing (terms, timing and structure still need to be worked through - ideally we would want a backstopped commitment on the equity) 	<ul style="list-style-type: none"> 100% non-voting Class B [REDACTED] Stock 10% premium to Class B PF Saturn ownership of -12.0% Resulting PF net leverage of -2.2x excluding synergies 	<ul style="list-style-type: none"> JCM sells 50% of his B shares to [REDACTED] <ul style="list-style-type: none"> RB sells 100% of B shares to [REDACTED] JCM exchanges remaining 50% of B shares with the Company (converting to A shares at a 10% premium) Saturn issues primary A shares to [REDACTED] to get [REDACTED] to 51% voting power Total [REDACTED] cash investment of \$700mm
Tax Treatment	Taxable to shareholders	Tax-free	Taxable to Class B shares sold by JCM/RB; tax-free to Company
Financing Certainty	Expect fully committed financing; but papers still TBD	No condition	No condition
Timing to Close	4-6 months (US) - TBD whether Canadian restructuring has any implications to timing	7-10 months	4-6 months

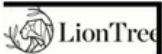


Note:
 1) Assumes 3% discount for non-voting stock
 2) Based on current prices as of market close on June 13, 2016
 3) Leverage excludes production loans; EBITDA excludes startup cost adjustments which would add an additional -0.4x

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Comparison of Offers (cont.)

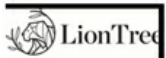
	Luna	[REDACTED]	[REDACTED]
Key Considerations	<ul style="list-style-type: none"> [REDACTED] [REDACTED] [REDACTED] Timing to complete 3 – 5 days 	<ul style="list-style-type: none"> [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] Timing to complete 2-4 days 	<ul style="list-style-type: none"> Diligence has not started Governance limitations on [REDACTED] to be negotiated Well behind on pricing
Buyer Stockholder Approval	<ul style="list-style-type: none"> Statutory approval to create new class of non-voters (66-2/3% of present/voting) NYSE vote (majority of present/voting) MOM vote likely required to create non-voting stock Luna offered expenses for naked no vote/market fee for rec pull <ul style="list-style-type: none"> Open: Requested RBF if vote fails 	<ul style="list-style-type: none"> Received unanimous board approval No shareholder vote required 	<ul style="list-style-type: none"> Board approval required
Saturn Stockholder Approval	<ul style="list-style-type: none"> Statutory stockholder approval (majority of voting power) MOM vote TBD Voting agreement requested from JCM Voting agreement from MHR and Luna requested 	<ul style="list-style-type: none"> Statutory stockholder approval (majority of voting power) MOM vote TBD Voting agreement requested from JCM (and six month lock-up) 	<ul style="list-style-type: none"> Nasdaq stockholder approval (majority of present and voting) MOM vote TBD [least likely] Voting agreement requested from JCM
Regulatory	<ul style="list-style-type: none"> HSR: Second request possible, but ultimately should go through (may attract interest of FTC) <ul style="list-style-type: none"> Low risk of business restrictions as condition to approval FCC: [Approval for CIC of uplink license but should not present a problem – TBD] 	<ul style="list-style-type: none"> HSR: second request likely, but ultimately should go through (will likely attract interest of FTC) <ul style="list-style-type: none"> Moderate risk that DOJ/FTC could require business restrictions as condition to approval ([REDACTED] not obligated to agree; no RBF) FCC: Approval for CIC of uplink license should not present a problem 	<ul style="list-style-type: none"> HSR: Second request possible, but ultimately should go through (may attract interest of FTC) <ul style="list-style-type: none"> Low risk of business restrictions as condition to approval FCC: Approval for CIC of uplink license but should not present a problem



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Section 2

Preliminary Saturn Standalone Perspectives



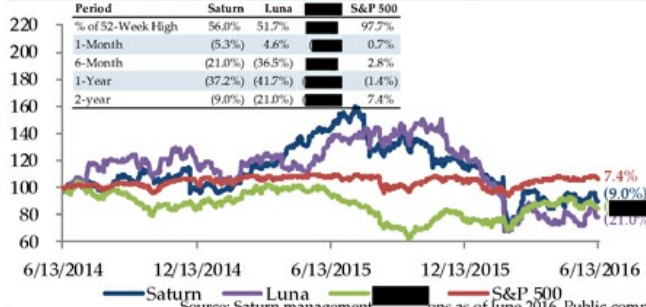
Saturn Trading Update

Summary Trading Valuation (as of 6/13/2016)

(\$mm, unless indicated)

Current Share Price @ Market (\$) ¹	\$26.01	
Fully Diluted Shares ²	103.4	
Equity Value	2,687	
Plus: Debt @ 3/31/16	1,131	
Less: Cash @ 3/31/16	(10)	
Less: Market Value of Equity Investments	(25)	
Enterprise Value	3,783	
EY / (Management Case)	Metric (\$mm)	Multiple
CY 2016E EBITDA (Pre-SBC)	490	7.7x
CY 2017E EBITDA (Pre-SBC)	543	7.0x
CY 2016E EBITDA (Post-SBC)	460	8.2x
CY 2017E EBITDA (Post-SBC)	511	7.4x
Leverage Statistics		
Net Debt / 2016E EBITDA		2.3x
Credit Ratings		BB / Ba2

Recent Stock Price Performance

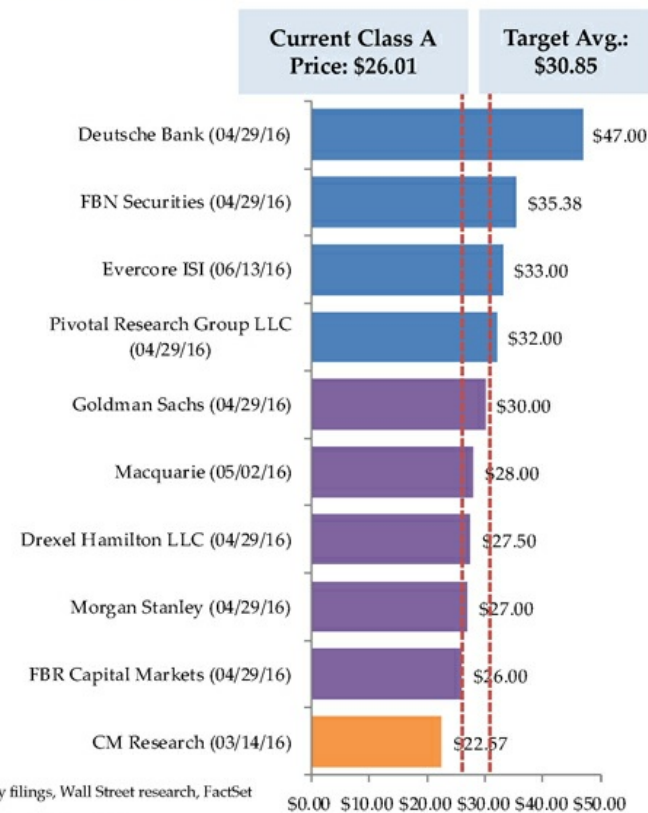


Source: Saturn management, public company filings, Wall Street research, FactSet
 Notes:
 1) Based on A and B shares, blended based on proportion of shares outstanding in each class
 2) Based on fully diluted shares using treasury stock method; consists of 98.4mm basic shares outstanding, 10.8mm in-the-money options (at WAEP of \$18.95), and 1.0mm RSUs



Research Analyst Price Targets

Saturn currently trades at a 15.7% discount to the average analyst price target

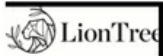


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Saturn Projected Financials¹

(\$mm)		Fiscal Year Ended December 31,					'15A-'20E CAGR	
		2015A	2016E	2017E	2018E	2019E		2020E
Revenue	Management Case (as of June 2016)	1,700	1,700	1,789	1,868	1,930	1,995	3.3%
	<i>% Growth</i>	-	0.0%	5.2%	4.4%	3.3%	3.4%	
	Sensitivity Case	1,700	1,660	1,749	1,828	1,890	1,955	2.8%
	<i>% Growth</i>	-	(2.3%)	5.3%	4.5%	3.4%	3.4%	
	Research Case²	1,700	1,694	1,707	1,723	1,739	1,755	0.6%
	<i>% Growth</i>	-	(0.4%)	0.8%	0.9%	0.9%	0.9%	
EBITDA	Management Case (as of June 2016)	462	490	543	612	633	654	7.2%
	<i>% Growth</i>	-	6.2%	10.7%	12.9%	3.3%	3.4%	
	<i>% Margin</i>	27.1%	28.8%	30.3%	32.8%	32.8%	32.8%	
	Sensitivity Case	462	450	503	572	593	614	5.9%
	<i>% Growth</i>	-	(2.4%)	11.6%	13.9%	3.6%	3.6%	
	<i>% Margin</i>	27.1%	27.1%	28.7%	31.3%	31.4%	31.4%	
	Research Case²	462	466	521	558	563	568	4.2%
	<i>% Growth</i>	-	0.8%	12.0%	7.0%	0.9%	0.9%	
	<i>% Margin</i>	27.2%	27.5%	30.5%	32.4%	32.4%	32.4%	



Source: Saturn management projections, Wall Street research

1) EBITDA shown pre stock based compensation

2) Research case represents research projections through 2018E and extrapolation thereafter (revenue growth and EBITDA margin held constant post 2018E)

Selected Publicly Traded Companies

Company	Closing Price 6/13/2016	% of 52-Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	EV /		'16E-'18E CAGR	
					EBITDA ¹ 2016E	2017E	Revenue	EBITDA
Walt Disney	\$97.57	79.9%	160,709	180,306	10.0x	9.6x	5.1%	4.8%
Time Warner Inc.	\$73.13	80.1%	58,932	78,160	9.2x	8.6x	5.5%	7.1%
Fox	\$28.91	83.3%	55,168	59,372	8.2x	7.5x	5.6%	8.4%
██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Viacom	\$41.24	60.2%	16,679	28,120	7.3x	7.1x	2.6%	3.0%
Discovery Communications	\$25.97	74.3%	15,939	23,048	9.3x	8.9x	5.9%	5.4%
Scripps Networks	\$62.89	91.9%	8,154	11,922	8.3x	8.0x	4.3%	3.5%
AMC Networks	\$60.05	68.9%	4,470	6,821	7.6x	7.2x	5.6%	3.1%
Mean					8.6x	8.2x	██████████	██████████
Median					8.5x	8.3x	██████████	██████████
Saturn @ Market								
Management Case ²	\$26.01	55.8%	2,687	3,783	7.7x	7.0x	4.8%	11.8%
Sensitivity Case					8.4x	7.5x	4.9%	12.7%
Research Case					8.1x	7.3x	0.9%	9.5%
Saturn @ Offers Based on Management Case²								
Luna Offer @ 3.0% Discount	\$31.67	68.0%	3,343	4,439	9.1x	8.2x		
██████████ Offer at Fixed Ex. Ratio	\$31.27	67.1%	3,296	4,392	9.0x	8.1x		
██████████ Offer at Fixed Price	\$33.00	70.8%	3,489	4,585	9.4x	8.5x		



Source: Public company filings, Wall Street research

Notes:

1) EBITDA shown pre stock based compensation

2) Based on Saturn management plan as of June 2016

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Saturn Discounted Cash Flow Analysis – Based on Management Case^{1,2}

Based on Saturn management plan as of June 2016

(\$mm)	Fiscal Year Ended December 31,				
	9 Mos '16E	2017E	2018E	2019E	2020E
EBITDA (Before SBC)	363	543	612	633	654
Less: Stock Based Compensation	(22)	(31)	(30)	(34)	(35)
Less: Depreciation & Amortization	(18)	(24)	(26)	(25)	(26)
EBIT	323	488	557	574	593
Less: Taxes @ 35%	(113)	(171)	(195)	(201)	(208)
After-Tax EBIT	210	317	362	373	386
Plus: Depreciation and Amortization	18	24	26	25	26
Less: Capex	(22)	(19)	(13)	(20)	(21)
Plus: Amortization of Programming Rights	443	605	599	619	639
Less: Program Rights Payments	(256)	(267)	(310)	(321)	(331)
Plus: Amortization of Investments in Films and TV Programs	100	145	146	151	156
Less: Investments in Film and TV Programs	(323)	(429)	(434)	(449)	(464)
Less: (Increase) / Decrease in Working Capital and Other	53	(43)	(52)	(57)	(63)
Unlevered Free Cash Flows	223	333	323	321	328

Present Value of Cash Flows	1,244
Present Value of Terminal Value	3,223
Present Value of Enterprise	4,467
Less: Net Debt & Other	(1,096)
Present Value of Equity	3,371
Shares	104.6
Price Per Share	\$32.22

DCF Equity Value Per Share					
WACC	LTM Terminal EBITDA Multiple				
	7.00x	7.25x	7.50x	7.75x	8.00x
8.75%	\$30.99	\$31.98	\$32.98	\$33.97	\$34.95
9.00%	30.63	31.61	32.60	33.58	34.55
9.25%	30.27	31.24	32.22	33.19	34.15
9.50%	29.92	30.88	31.85	32.81	33.77
9.75%	29.57	30.52	31.48	32.43	33.38



Source: Historical and projected financial information per Saturn management

Notes:

1) Assumes mid-year convention, discounted back to 3/31/16; based on balance sheet as of 3/31/16 (net debt of \$1,121mm), equity in affiliates of \$25mm

2) Based on Saturn management plan as of June 2016

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Saturn Discounted Cash Flow Analysis – Based on Sensitivity Case^{1,2}

(\$mm)	Fiscal Year Ended December 31,				
	9 Mos '16E	2017E	2018E	2019E	2020E
EBITDA (Before SBC)	363	503	572	593	614
Less: Stock Based Compensation	(22)	(31)	(30)	(34)	(35)
Less: Depreciation & Amortization	(18)	(24)	(26)	(25)	(26)
EBIT	323	448	517	534	553
Less: Taxes @ 35%	(113)	(157)	(181)	(187)	(194)
After-Tax EBIT	210	291	336	347	360
Plus: Depreciation and Amortization	18	24	26	25	26
Less: Capex	(22)	(19)	(13)	(20)	(21)
Plus: Amortization of Programming Rights	443	605	599	619	639
Less: Program Rights Payments	(256)	(267)	(310)	(321)	(331)
Plus: Amortization of Investments in Films and TV Programs	100	145	146	151	156
Less: Investments in Film and TV Programs	(323)	(429)	(434)	(449)	(464)
Less: (Increase) / Decrease in Working Capital and Other	53	(43)	(52)	(57)	(63)
Unlevered Free Cash Flows	223	307	297	295	302

Present Value of Cash Flows	1,162
Present Value of Terminal Value	3,026
Present Value of Enterprise	4,188
Less: Net Debt & Other	(1,096)
Present Value of Equity	3,092
Shares	104.1
Price Per Share	\$29.69

DCF Equity Value Per Share						
WACC	LTM Terminal EBITDA Multiple					
	7.00x	7.25x	7.50x	7.75x	8.00x	
8.75%	\$28.53	\$29.46	\$30.40	\$31.34	\$32.27	
9.00%	28.19	29.11	30.04	30.97	31.89	
9.25%	27.85	28.77	29.69	30.60	31.52	
9.50%	27.52	28.43	29.34	30.24	31.15	
9.75%	27.20	28.09	28.99	29.89	30.78	



Source: Historical and projected financial information per Saturn management

Notes:

1) Assumes mid-year convention, discounted back to 3/31/16; based on balance sheet as of 3/31/16 (net debt of \$1,121mm), equity in affiliates of \$25mm

2) Sensitivity Case assumes \$40mm reduction in revenue flowing through EBITDA

Draft Working Materials - Subject to Change

Saturn Discounted Cash Flow Analysis – Based on Research Case^{1,2}

(\$mm)	Fiscal Year Ended December 31,				
	9 Mos '16E	2017E	2018E	2019E	2020E
EBITDA (Before SBC)	349	521	558	563	568
Less: Stock Based Compensation	(22)	(31)	(30)	(34)	(35)
Less: Depreciation & Amortization	(18)	(24)	(26)	(25)	(26)
EBIT	309	466	502	504	507
Less: Taxes @ 35%	(108)	(163)	(176)	(176)	(178)
After-Tax EBIT	201	303	326	328	330
Plus: Depreciation and Amortization	18	24	26	25	26
Less: Capex	(22)	(19)	(13)	(20)	(21)
Plus: Amortization of Programming Rights	443	605	599	619	639
Less: Program Rights Payments	(256)	(267)	(310)	(321)	(331)
Plus: Amortization of Investments in Films and TV Programs	100	145	146	151	156
Less: Investments in Film and TV Programs	(323)	(429)	(434)	(449)	(464)
Less: (Increase) / Decrease in Working Capital and Other	53	(43)	(52)	(57)	(63)
Unlevered Free Cash Flows	214	319	287	275	272

Present Value of Cash Flows	1,121
Present Value of Terminal Value	2,800
Present Value of Enterprise	3,921
Less: Net Debt & Other	(1,096)
Present Value of Equity	2,825
Shares	103.6
Price Per Share	\$27.26

DCF Equity Value Per Share					
WACC	LTM Terminal EBITDA Multiple				
	7.00x	7.25x	7.50x	7.75x	8.00x
8.75%	\$26.18	\$27.06	\$27.92	\$28.79	\$29.66
9.00%	25.87	26.73	27.59	28.45	29.30
9.25%	25.55	26.41	27.26	28.11	28.96
9.50%	25.24	26.09	26.93	27.78	28.61
9.75%	24.94	25.77	26.61	27.45	28.28



Source: Historical and projected financial information per Saturn management

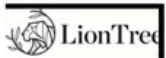
Notes:

1) Assumes mid-year convention, discounted back to 3/31/16; based on balance sheet as of 3/31/16 (net debt of \$1,121mm), equity in affiliates of \$25mm

2) Research case represents research revenue and EBITDA projections through 2018E and extrapolation thereafter; FCF items based on Saturn management plan

Section 3

Preliminary Luna Transaction Overview



Overview of Luna Proposal

Luna Proposal	
■ Class A consideration:	
▶ \$20.00 in cash per share	
▶ 0.566x shares of newly created Luna non-voting common stock	
■ Class B consideration:	
▶ 10% premium relative to Saturn Class A for each component of the offer	
• \$22.00 in cash per share	
• 0.623x shares of newly created Luna non-voting common stock	
■ ~63% cash consideration and ~37% stock consideration	

Value of Offer @ 3.0% Discount		
	Class A	Class B
Cash	\$20.00	\$22.00
Stock	\$11.67	\$12.83
Total	\$31.67	\$34.83

Source: Based on Saturn management projections as of June 2016, company filings
 Note:
 1) Assumes equity raised at current Luna price of \$21.25
 2) Excludes production loans
 3) Adjusting Luna EBITDA for startup costs, leverage excluding synergies would be 6.1x pre-equity raise and 5.3x post-equity raise; leverage including synergies would be 5.7x pre-equity raise and 5.0x post-equity raise



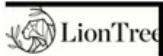
Pro Forma Ownership		
	Class A	Class B
Luna Offer Exchange Ratio	0.566x	0.623x
Saturn Shares Today	94.7	9.9
Luna Shares in Saturn	2.1	2.6
Saturn Shares Acquired	92.6	7.3
New Luna Shares Issued to Saturn Shareholders	52.4	4.5
	Shares	Ownership
Excl. Equity Raise	(mm)	(%)
Current Fully Diluted Luna Shares Outstanding	153	72.9%
New Shares Issued to Saturn	57	27.1%
Pro Forma Shares Outstanding	210	100.0%
	Shares	Ownership
Incl. \$500mm Equity Raise¹	(mm)	(%)
Current Fully Diluted Luna Shares Outstanding	153	65.5%
New Shares Issued to Saturn	57	24.4%
New Shares Issued in Equity Raise based on Luna Current Price of \$21.25	24	10.1%
Pro Forma Shares Outstanding	233	100.0%
Pro Forma Luna Leverage		
Luna Current Net Debt @ 3/31/2016 ²		788
Saturn Current Net Debt @ 3/31/2016		1,121
Cash Consideration Paid to Saturn		2,012
Transaction Costs (preliminary and subject to change)		125
Pro Forma Net Debt		4,047
Less: Cash Proceeds from Equity Raise		(500)
Implied Pro Forma Net Debt		3,547
Luna CY 2016E EBITDA (incl. equity income) ³		229
Saturn CY 2016E EBITDA		490
Pro Forma CY 2016E EBITDA		719
Implied Pro Forma Net Leverage (Pre-Equity Raise & Excluding Synergies)		5.6x
Implied Pro Forma Net Leverage (Post-Equity Raise & Excluding Synergies)		4.9x
Implied Pro Forma Net Leverage (Pre-Equity Raise & Including \$40mm of Synergies)		5.3x
Implied Pro Forma Net Leverage (Post-Equity Raise & Including \$40mm of Synergies)		4.7x

Draft Working Materials - Subject to Change

Preliminary Transaction Financing Structure

Luna will require ~\$4bn of new capital commitment to finance the proposed transaction

Overview of Current Capital Structure							Sources & Uses	
Luna¹							Sources	
Tranche	Amount (\$mm)	Maturity	Coupon	Price	Refi?	Estimated Breakage Costs	Sources	\$mm
Senior Notes	225	Aug-18	5.25%	102.75	Yes	11	New 6-Year Bank Debt @ L+[300]	2,605
Term Loan	400	Mar-22	L+400		Yes	8	New 8-Year Notes @ [7.00%]	850
Revolver	161	Sep-17	L+250		Yes	-	New Equity ²	500
Converts	60	Apr-18	1.25%	98.50	No	-	Luna Equity Issues to Saturn Shareholders	1,210
Total	846					19	Total	5,165
Saturn							Uses	
Tranche	Amount (\$mm)	Maturity	Coupon	Price	Refi?	Estimated Breakage Costs	Uses	\$mm
Term Loan	391	Apr-20	L+150-225		Yes	-	Saturn Equity Purchased With Cash	2,012
Senior Notes	677	Sep-19	5.00%	101.95	Yes	7	Saturn Equity Purchased With Stock	1,174
Cap Leases	63				No	-	Luna Senior Notes	225
Total	1,131					7	Luna Term Loan	400
							Luna Revolver	161
							Saturn Term Loan	391
							Saturn Senior Notes	677
							Transaction Costs	125
							Total	5,165



Source: Bloomberg

Note:

1) Excludes production loans

2) Assumes equity raised at current Luna price of \$21.25

Luna Snapshot

Summary Trading Valuation (as of 6/13/2016)

(\$mm, unless indicated)

Share Price @ Market (\$)	\$21.25
Equity Value	3,250
Plus: Net Debt @ 3/31/16 ²	788
Plus: Minority Interests @ 3/31/16	91
Less: Equity Investments @ 3/31/16 ³	(634)
Gross Enterprise Value	3,495
Less: Value of Tax Attributes ⁴	(769)
Adj. Enterprise Value	2,726

EV/	Metric (\$mm)	Gross Multiple	Adjusted Multiple
FY 2016A EBITDA (Pre-SBC)	118	29.6x	23.1x
FY 2017E EBITDA (Pre-SBC)	192	18.2x	14.2x
FY 2016A EBITDA (Post-SBC)	40	86.9x	67.8x
FY 2017E EBITDA (Post-SBC)	106	33.0x	25.7x

Leverage⁵

Net Debt / FY 2017E EBITDA	3.1x
Net Debt / FY 2017E EBITDA (Adjusted for Startup Costs)	4.8x
Credit Ratings	BB- / Ba3

Top 10 Shareholders in Luna

Holder Name	Shares	Mkt Value (\$mm)	% OS
MHR	30.2	643	19.8%
Capital Research & Manag. Co. (World Investors)	8.8	188	5.8%
Fidelity	8.5	180	5.5%
Capital Research & Manag. Co. (Global Investors)	7.8	167	5.1%
The Vanguard Group	7.4	158	4.8%
Naya Capital Management UK Ltd.	5.4	116	3.6%
Discovery Communications	5.0	106	3.3%
Liberty Global	5.0	106	3.3%
Kornitner	4.6	98	3.0%
JCM	4.4	94	2.9%
Top 10 Holders	87.2	1,856	57.0%

Source: Public company filings, Wall Street research

Notes:

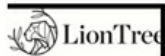
1) Based on fully diluted shares outstanding using treasury stock method; convertible debt treated on an as-if converted basis with appropriate dilutive impact to shares outstanding for in the money converts; based on 147.2mm basic shares outstanding, 16.0mm in-the-money options outstanding (at WAEP of \$23.83) and 1.6mm RSUs

2) Net debt excludes the value of production loans

3) Equity in affiliates assumes Epix valued at 10.0x multiple based on assumed 2016E EBITDA of \$104mm, implying a \$322mm value for Luna's 31% stake; assumes TVGN valued at cost of \$125mm; Defy Media / Celestial Tiger stake valued at \$65mm; Saturn stake based on market prices

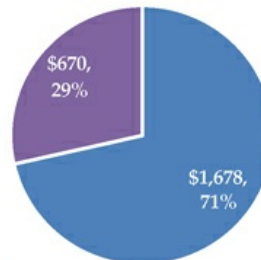
4) Includes net present value of difference between Luna actual tax rate given Canadian incorporation vs. peer normalized tax rate, incorporating value of existing NOLs

5) Includes equity income for leverage purposes

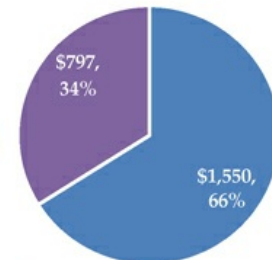


FY 2016A Revenue Breakdown (\$mm)

FY 2016A Revenue by Segment



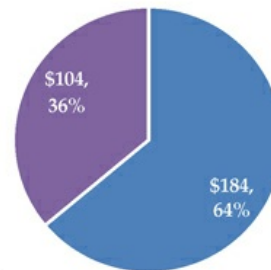
FY 2016A Revenue by Geography



■ Motion Pictures
■ Television Production

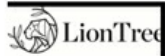
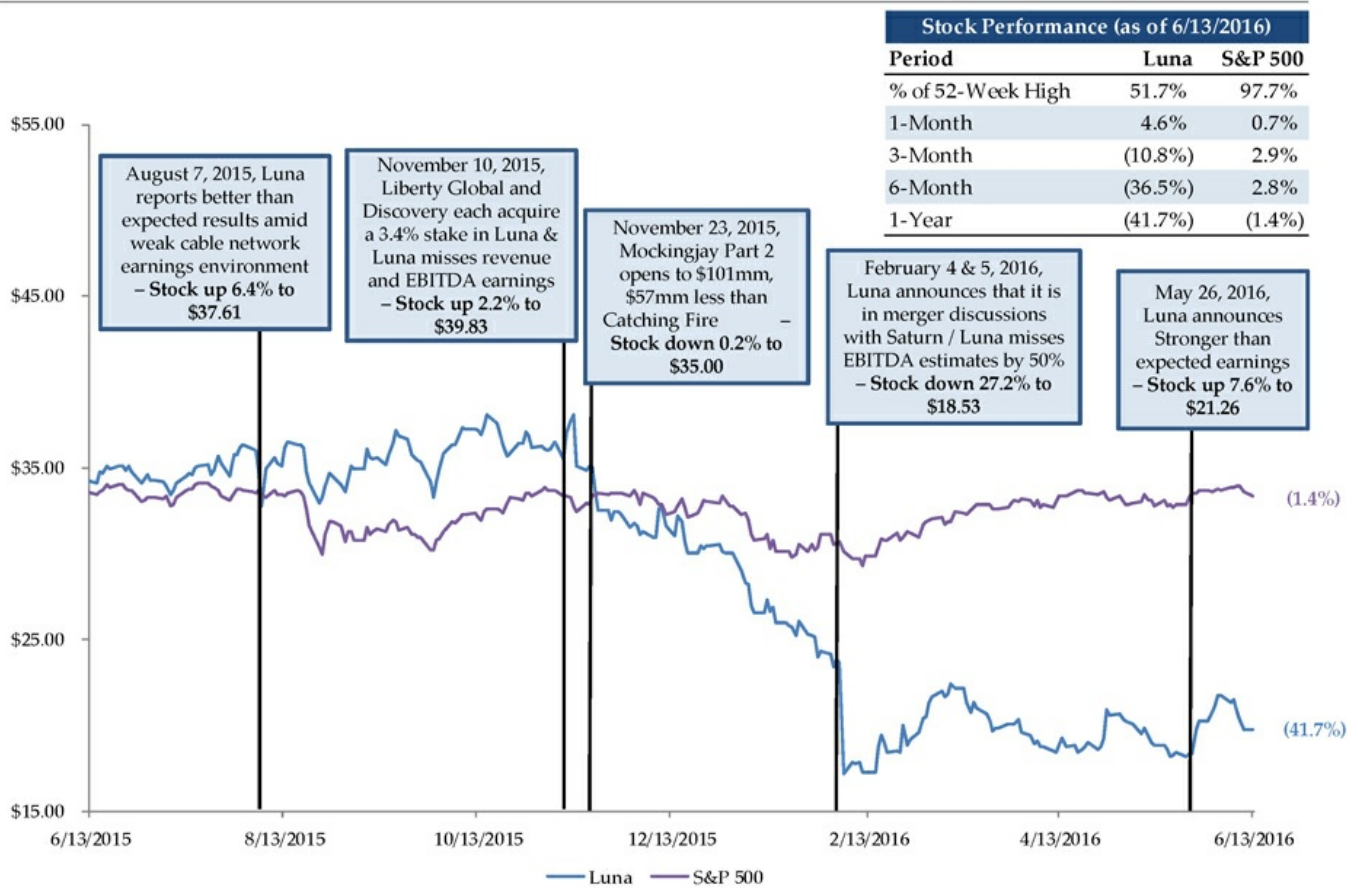
■ United States
■ Other

FY 2016A Contribution Breakdown (\$mm)



■ Motion Pictures
■ Television Production

Luna LTM Stock Price Performance



Source: FactSet
Note: S&P 500 indexed to Luna share price

Luna Research Analyst Price Targets

Luna currently trades at a 26.1% discount to the average analyst price target



Source: Wall Street research

■ Buy Rating ■ Hold Rating ■ Sell Rating

Draft Working Materials - Subject to Change

Luna Financial Projections – Per Luna

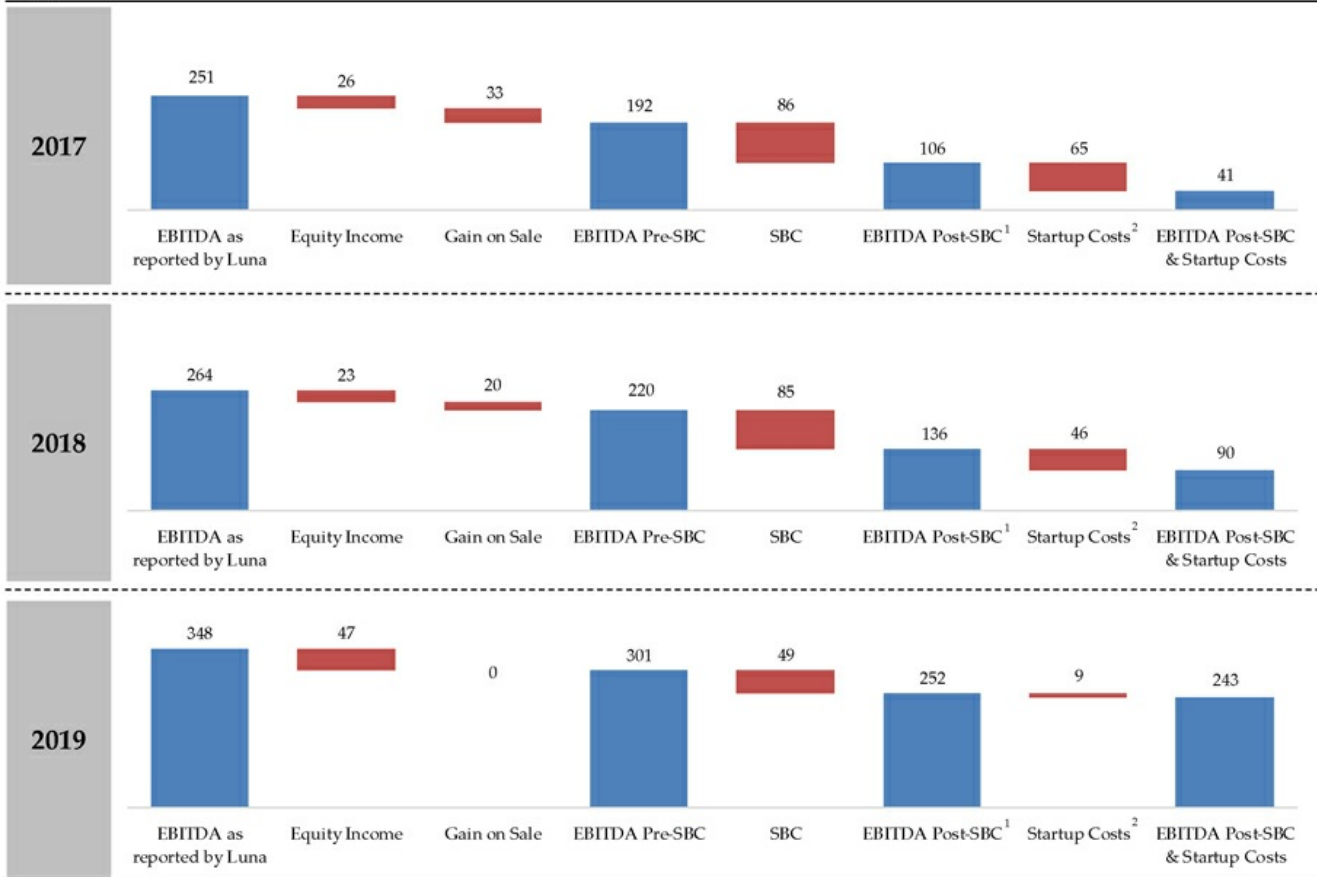
(\$mm)	Fiscal Year Ended March 31,				CAGR
	2016A	2017E	2018E	2019E	'16A-'19E
Motion Pictures	1,678	1,874	1,913	2,404	12.7%
<i>% Growth</i>	-	11.7%	2.1%	25.7%	
Television	670	979	1,094	1,188	21.1%
<i>% Growth</i>	-	46.1%	11.8%	8.6%	
Revenue	2,347	2,853	3,007	3,592	15.2%
<i>% Growth</i>	-	21.5%	5.4%	19.5%	
Gross Contribution					
Motion Pictures	184	267	279	361	25.1%
<i>% Margin</i>	11.0%	14.2%	14.6%	15.0%	
Television	104	116	135	170	17.7%
<i>% Margin</i>	15.5%	11.8%	12.3%	14.3%	
Total Gross Contribution	288	383	414	531	22.6%
<i>% Margin</i>	12.3%	13.4%	13.8%	14.8%	
EBITDA (incl. equity gains)	162	251	264	348	17.8%
<i>% Growth</i>	-	54.5%	5.1%	32.1%	
<i>% Margin</i>	6.9%	8.8%	8.8%	9.7%	
EBITDA (excl. equity gains)	111	192	220	301	25.2%
<i>% Growth</i>	-	73.0%	14.7%	36.7%	
<i>% Margin</i>	4.7%	6.7%	7.3%	8.4%	
Unlevered Free Cash Flow	126	155	172	202	14.1%
<i>% Growth</i>	-	23.2%	11.3%	17.1%	
Levered Free Cash Flow	70	93	115	152	27.7%
<i>% Growth</i>	-	32.5%	22.9%	32.6%	



Note: Per Luna management

Luna EBITDA Bridge

(\$mm)



Source: Luna management

Note: FY2017 EBITDA does not adjust for \$20mm of non-cash Pilgrim and \$65mm of start-up costs to the extent diligence shows to be non-recurring

1) EBITDA Pre-SBC includes income from Epix, POP Network, and various other minority equity investment gains and losses

2) Start-up costs of \$64.9mm in 2017E, \$45.7mm in 2018E and \$8.7mm in 2019E

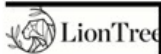
Draft Working Materials - Subject to Change

Value of Luna Offer – Sensitivity on Luna Stock Price

Luna Stock Price	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00	\$20.00	\$21.25	\$22.00	\$23.00	\$24.00	\$25.00
<i>% Premium / (Discount) to Current Price:</i>	(29.4%)	(24.7%)	(20.0%)	(15.3%)	(10.6%)	(5.9%)	0.0%	3.5%	8.2%	12.9%	17.6%
Exchange Ratio	0.566x	0.566x	0.566x	0.566x	0.566x	0.566x	0.566x	0.566x	0.566x	0.566x	0.566x
Value of Stock Portion Per Share (post 3% discount)	\$8.24	\$8.78	\$9.33	\$9.88	\$10.43	\$10.98	\$11.67	\$12.08	\$12.63	\$13.18	\$13.73
Value of Cash Portion Per Share	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Value of Offer Pre-Synergies	\$28.24	\$28.78	\$29.33	\$29.88	\$30.43	\$30.98	\$31.67	\$32.08	\$32.63	\$33.18	\$33.73
PV of Cost Synergies (\$mm) ¹	295	295	295	295	295	295	295	295	295	295	295
PV of Tax Synergies (\$mm) ¹	586	586	586	586	586	586	586	586	586	586	586
PV of Synergies (\$mm)¹	881	881	881	881	881	881	881	881	881	881	881
<i>Saturn PF Ownership (incl. Equity Raise)²</i>	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%
PV of Synergies to Saturn Shareholders (\$mm)	215	215	215	215	215	215	215	215	215	215	215
Saturn Shares Outstanding @ Offer (mm) ³	100	100	100	100	100	100	100	100	100	100	100
Synergies per Saturn Share	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15
Value of Offer (Incl. Synergies)	\$30.39	\$30.94	\$31.49	\$32.03	\$32.58	\$33.13	\$33.82	\$34.23	\$34.78	\$35.33	\$35.88
<i>% Premium to Current Class A Saturn Price:</i>	16.8%	18.9%	21.0%	23.2%	25.3%	27.4%	30.0%	31.6%	33.7%	35.8%	37.9%
<i>% Premium to Saturn Midpoint DCF Value Per Share:</i>											
<i>Saturn Management Case DCF</i>	(5.7%)	(4.0%)	(2.3%)	(0.6%)	1.1%	2.8%	5.0%	6.2%	7.9%	9.6%	11.4%
<i>Saturn Sensitivity Case DCF</i>	2.4%	4.2%	6.1%	7.9%	9.8%	11.6%	13.9%	15.3%	17.2%	19.0%	20.9%
<i>Saturn Research Case DCF</i>	11.5%	13.5%	15.5%	17.5%	19.5%	21.5%	24.1%	25.6%	27.6%	29.6%	31.6%

Note:

- 1) Synergies are preliminary and subject to diligence; assumes \$40mm in run rate cost synergies phased in 50% in 2017 and 100% in 2018 and beyond, net of \$30mm of integration costs; ~\$57mm in annual tax savings
- 2) Assumes equity raised at current Luna price of \$21.25
- 3) Excludes Saturn shares held by Luna



Preliminary Liquidity Analysis – Subject to Further Diligence

(\$mm, unless indicated)	Calendar YE Dec. 31,			Source / Preliminary Assumption
	2016	2017	2018	
Saturn EBITDA	490	543	612	Per Saturn management
Luna EBITDA	229	260	327	As reported by Luna management
EBITDA Synergies	-	20	40	Subject to further diligence
Total EBITDA	719	823	979	
Less: Capex	(37)	(27)	(20)	Per Luna and Saturn management plans
Less: Investment in Film and TV, Net of Amort.	(120)	75	(13)	Per Luna and Saturn management plans
Less: Working Capital	70	(68)	(97)	Per Luna and Saturn management plans
Less: Other Adjustments	(76)	(80)	(67)	Includes adjustments for acquisition related charges, restructuring, EMEs, start-up costs and gain on investments
Unlevered Pre-Tax FCF	556	723	782	
Less: Pro Forma Interest	(170)	(170)	(170)	Based on preliminary financing structure as described on page 16
Less: Pro Forma Taxes	-	-	-	Assumes pro forma company pays no taxes through 2018 (subject to further diligence)
Free Cash Flow	386	553	612	
Less: Dividend	(82)	(86)	(90)	Assumes same dividend per share issued to all pro forma shareholders
Post-Dividend Cash Flow	304	467	522	
Ending Net Debt	3,507	3,039	2,517	
Ending Net Leverage	4.9x	3.7x	2.6x	

Section 4

Preliminary [REDACTED] Transaction Overview



Confidential information has been omitted and filed separately with the Securities and Exchange Commission.
Confidential treatment has been requested with respect to this omitted information.

Illustrative █████ Transaction Summary

	Fixed Exchange Ratio	Fixed Price
Offer Exchange Ratio	0.600x	0.633x
█████ Current Price	█████	█████
Implied Offer Price per Share	\$31.27	\$33.00
Implied Premium	20.2%	26.9%
Implied Saturn Ownership	12.0%	12.6%

PF Sources and Uses – Fixed Exchange Ratio @ 0.600x

Sources of Funds			Uses of Funds		
	(\$mm)	(%)		(\$mm)	(%)
Equity Issuance	3,296	74.0%	Purchase of Saturn Equity for \$31.27 /Share	3,296	74.0%
Rollover Net Debt	1,121	25.2%	Rollover Net Debt	1,121	25.2%
Balance Sheet Cash	35	0.8%	Fees & Expenses	35	0.8%
Total Sources	4,453	100.0%	Total Uses	4,453	100.0%

PF Sources and Uses – Fixed Price @ \$33.00

Sources of Funds			Uses of Funds		
	(\$mm)	(%)		(\$mm)	(%)
Equity Issuance	3,489	75.1%	Purchase of Saturn Equity for \$33.00 /Share	3,489	75.1%
Rollover Net Debt	1,121	24.1%	Rollover Net Debt	1,121	24.1%
Balance Sheet Cash	35	0.8%	Fees & Expenses	35	0.8%
Total Sources	4,645	100.0%	Total Uses	4,645	100.0%



Snapshot

Summary Trading Valuation (as of 6/13/2016)

(\$mm, unless indicated)

Blended Current Share Price @ Market (\$)¹	
LTM Stock Price Performance	
Fully Diluted Shares²	
Equity Value	
Plus: Net Debt @ 3/31/16	
Less: Equity Investments @ 3/31/16	
Enterprise Value	
EV/	Metric (\$mm) Multiple
CY 2016 EBITDA (Pre-SBC)	
CY 2017 EBITDA (Pre-SBC)	
CY 2016 EBITDA (Post-SBC)	
CY 2017 EBITDA (Post-SBC)	

Leverage Statistics³	
Net Debt / 2016 EBITDA	
Credit Ratings	

FY 2015A Revenue Breakdown

In 2015, [redacted] had [redacted] in total revenue, [redacted] coming from international markets

By Segment¹	By Type¹
[redacted]	[redacted]

FY 2015A EBITDA (Pre-SBC) Breakdown⁵

[redacted]

Top 10 Shareholders in [redacted]

Holder Name	Shares	Mkt Value (\$mm)	% OS
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			

Source: Public company filings, Wall Street research, FactSet
 Notes:
 1) Based on A and B shares, blended based on proportion of shares outstanding in each class
 2) Based on fully diluted shares using treasury stock method;



Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

██████ Research Analyst Price Targets

██████ currently trades at a ██████ discount to the average analyst price target



LionTree

Source: Wall Street research



Buy Rating



Hold Rating



Sell Rating

Confidential information has been omitted and filed separately with the Securities and Exchange Commission.
Confidential treatment has been requested with respect to this omitted information.

Financial Projections

(\$mm)	Fiscal Year Ended December 31,						'15A-'18E	'15A-'20E
	2015A	2016E	2017E	2018E	2019E	2020E	CAGR	CAGR
Revenue								
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Total Revenue	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
<i>% Growth</i>	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]		
EBITDA (Before SBC)								
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Total EBITDA (Before SBC)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
<i>% Growth</i>	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]		
<i>% Margin</i>	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]		



Source: Public company filings, Wall Street research

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Draft Working Materials - Subject to Change

Discounted Cash Flow Analysis¹

(\$mm)	Fiscal Year Ended December 31,				
	2016E	2017E	2018E	2019E	2020E
EBITDA (Before SBC)	[REDACTED]				
Less: Stock Based Compensation					
Less: Depreciation & Amortization					
EBIT					
Less: Taxes @ 35%					
After-Tax EBIT					
Plus: D&A					
Less: Capex					
Less: (Increase) / Decrease in Working Capital					
Unlevered Free Cash Flows					
Present Value of Cash Flows	[REDACTED]				
Present Value of Terminal Value					
Present Value of Enterprise					
Less: Net Debt & Other					
Present Value of Equity					
Shares					
Price Per Share					

DCF Equity Value Per Share					
WACC	LTM Terminal EBITDA Multiple				
	8.00x	8.25x	8.50x	8.75x	9.00x
8.25%	\$56.51	\$58.20	\$59.89	\$61.58	\$63.27
8.50%	55.82	57.49	59.17	60.84	62.51
8.75%	55.15	56.80	58.45	60.11	61.76
9.00%	54.48	56.11	57.75	59.39	61.02
9.25%	53.82	55.44	57.05	58.67	60.29



Source: Wall Street research
Notes:

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Draft Working Materials - Subject to Change

Value of [REDACTED] Fixed Exchange Ratio Offer – Sensitivity on [REDACTED] Stock Price

Stock Price	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
% Premium / (Discount) to Current Price:	(13.6%)	(10.8%)	(7.9%)	(5.0%)	(2.1%)	0.0%	3.6%	6.5%	9.4%	12.3%	15.1%
Exchange Ratio	0.600x	0.600x	0.600x	0.600x	0.600x	0.600x	0.600x	0.600x	0.600x	0.600x	0.600x
Value of Offer Pre-Synergies	\$27.00	\$27.90	\$28.80	\$29.70	\$30.60	\$31.27	\$32.40	\$33.30	\$34.20	\$35.10	\$36.00
PV of Synergies (\$mm)¹	886	886	886	886	886	886	886	886	886	886	886
Saturn PF Ownership	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
PV of Synergies to Saturn Shareholders (\$mm)	106	106	106	106	106	106	106	106	106	106	106
Saturn Shares Outstanding @ Offer (mm)	104	104	104	104	104	104	104	104	104	104	104
Synergies per Saturn Share	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02
Value of Offer (Incl. Synergies)	\$28.02	\$28.92	\$29.82	\$30.72	\$31.62	\$32.28	\$33.42	\$34.32	\$35.22	\$36.12	\$37.02
% Premium to Current Class A Saturn Price:	7.7%	11.2%	14.6%	18.1%	21.6%	24.1%	28.5%	31.9%	35.4%	38.9%	42.3%
% Premium to Saturn Midpoint DCF Value Per Share:											
Saturn Management Case DCF	(13.0%)	(10.2%)	(7.4%)	(4.7%)	(1.9%)	0.2%	3.7%	6.5%	9.3%	12.1%	14.9%
Saturn Sensitivity Case DCF	(5.6%)	(2.6%)	0.4%	3.4%	6.5%	8.7%	12.5%	15.6%	18.6%	21.6%	24.7%
Saturn Research Case DCF	2.8%	6.1%	9.4%	12.7%	16.0%	18.4%	22.6%	25.9%	29.2%	32.5%	35.8%



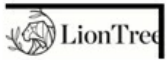
Note:
1) Synergies are preliminary and subject to diligence; [REDACTED]

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Appendix

Additional Reference Materials



Side-by-Side Trading Analysis

	Saturn ³		Luna ⁴		
<i>(\$mm, unless indicated)</i>					
Class A Price (\$)¹	\$26.01				
Fully Diluted Class A Shares	93.5				
Class B Price (\$)¹	\$25.94				
Fully Diluted Class B Shares	9.9				
Blended Price (\$)	\$26.00				\$21.25
Fully Diluted Shares	103.4				153.0
Equity Value	2,687				3,250
Plus: Net Debt & Other ¹	1,096				245
Enterprise Value	3,783				3,495
Less: Value of Tax Attributes ²	-				(769)
Adj. Enterprise Value	3,783				2,726
	Metric		Metric	Gross	Adjusted
	(\$mm)	Mult	(\$mm)	Mult	Mult
EV/					
CY 2016E EBITDA - Management Case ⁵	490	7.7x	174	20.1x	15.7x
CY 2017E EBITDA - Management Case ⁵	543	7.0x	213	16.4x	12.8x
CY 2016E EBITDA - Research Case ⁵	466	8.1x			8.8x
CY 2017E EBITDA - Research Case ⁵	521	7.3x			8.5x
Leverage					
Net Debt / 2016E EBITDA ⁶		2.3x			3.3x
'16E - '18E CAGRs					
Revenue		4.8%			12.4%
EBITDA		11.8%			27.2%
Analyst Price Targets					
High		\$35.38			\$40.00
Average		\$30.85			\$28.75
Premium to Current Price		15.7%			26.1%
Low		\$22.57			\$22.00

Source: Saturn management projections as of June 2016, public company filings, Wall Street research

Note: prices as of June 13, 2016

1) For Luna, equity in affiliates assumes Epix valued at 10.0x multiple based on assumed 2016E EBITDA of \$104mm, implying a \$322mm value for Luna's 31% stake; assumes TVGN valued at cost of \$125mm; Defy Media / Celestial Tiger stakes valued at \$65mm; Saturn stake based on market prices

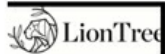
2) Includes net present value of difference between Luna actual tax rate given Canadian incorporation vs. peer normalized tax rate, incorporating value of existing NOLs

3) JCM has 0.1mm shares of Class A Saturn stock and 6.2mm shares of Class B Saturn stock for a total voting stake of 33.1%, economic stake of 6.1% and a value of \$164mm; JCM has 4.4mm shares of Luna common stock for a total voting stake of 2.9%, economic stake of 2.9% and a value of \$94mm

4) Luna has 2.1mm shares of Class A Saturn stock and 2.6mm shares of Class B Saturn stock for a total voting stake of 15.0%, economic stake of 4.6% and a value of \$122mm

5) EBITDA shown pre stock based compensation

6) For Luna leverage purposes, EBITDA includes equity income from affiliates



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FY 2017E Plan Comparison

(\$mm)	March 2016 Plan	June 2016 Plan	Difference (New - Old)	
			(\$ Value)	(% Value)
Revenue				
Motion Pictures	1,938	1,874	(64)	(3.3%)
<i>% Growth</i>	-	-		
Television	1,016	979	(37)	(3.7%)
<i>% Growth</i>	-	-		
Total Revenue	2,954	2,853	(101)	(3.4%)
<i>% Growth</i>	-	-		
Gross Contribution				
Motion Pictures	298	267	(31)	(10.4%)
<i>% Margin</i>	15.4%	14.2%		
Television	128	116	(12)	(9.6%)
<i>% Margin</i>	12.6%	11.8%		
Total Gross Contribution	426	383	(43)	(10.2%)
<i>% Margin</i>	14.4%	13.4%		
<i>% Growth</i>	-	-		
EBITDA Reported by Luna (incl. equity gains)	302	251	(51)	(17.0%)
<i>% Margin</i>	10.2%	8.8%		
<i>% Growth</i>	-	-		



Source: Luna management
 Note:
 1) Other revenue and cost items not shown

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Discounted Cash Flow Analysis of Luna Synergies¹

(\$mm)	Fiscal Year Ended December 31,			
	2017E	2018E	2019E	2020E
Synergies	20	40	40	40
<i>% Growth</i>	<i>nm</i>	<i>100.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Less: Integration Costs	(10)	(20)	0	0
EBIT (post-integration costs)	10	20	40	40
Less: Taxes @ 20.0%	(2)	(4)	(8)	(8)
After-Tax EBIT	8	16	32	32
Tax Synergies	57	57	57	57
Total FCF from Synergies	65	73	89	89
<i>% Growth</i>	<i>nm</i>	<i>12.3%</i>	<i>21.9%</i>	<i>0.0%</i>
Discounted Free Cash Flows	58	59	66	60
NPV of Terminal Value				637
Total Synergy DCF Value				881

Saturn Value Per Share of DCF Synergies

WACC	Annual Run-Rate Cost Synergies				
	30	35	40	45	50
9.00%	\$2.09	\$2.18	\$2.28	\$2.37	\$2.47
9.25%	2.03	2.12	2.21	2.31	2.40
9.50%	1.97	2.06	2.15	2.24	2.33
9.75%	1.92	2.01	2.09	2.18	2.27
10.00%	1.87	1.95	2.04	2.12	2.21

Sensitivity of DCF Synergy Value

WACC	Annual Run-Rate Cost Synergies				
	30	35	40	45	50
9.00%	854	894	933	972	1,011
9.25%	830	868	906	944	982
9.50%	807	844	881	918	955
9.75%	786	821	857	893	929
10.00%	765	800	834	869	904



Source: Synergies per Saturn and Luna management
 1) Assumes mid-year convention, discounted back to 3/31/16; assumes 9.50% WACC and 0.0% PGR

Analysis of Premiums For Voting vs. Non-Voting Shares

Company	Structure	Current	6 Month Avg	1 Year Avg	3 Year Avg	5 Year Avg
Alphabet	No Vote / Low Vote	(1.8%)	(2.5%)	(3.2%)	na	na
CBS	No Vote / Low Vote	(6.5%)	(7.9%)	(7.7%)	(3.2%)	(2.5%)
Discovery Communications	No Vote / Low Vote	(3.4%)	(3.3%)	(4.7%)	(6.2%)	(7.6%)
Liberty Braves	No Vote / Low Vote	(2.6%)	na	na	na	na
Liberty Global	No Vote / Low Vote	(2.2%)	(2.9%)	(4.5%)	(5.5%)	(6.4%)
Liberty Interactive	Low Vote / High Vote	(0.2%)	(0.1%)	(0.1%)	0.6%	1.4%
Liberty Media	No Vote / Low Vote	(1.7%)	(2.3%)	(2.3%)	(2.3%)	(2.3%)
Liberty Sirius	No Vote / Low Vote	(1.2%)	na	na	na	na
Meredith Corporation	Low Vote / High Vote	(6.8%)	(6.1%)	(6.4%)	(3.4%)	(3.1%)
Twenty-First Century Fox, Inc.	No Vote / Low Vote	(0.6%)	(0.5%)	(0.3%)	1.4%	0.5%
Viacom	No Vote / Low Vote	(10.4%)	(7.8%)	(4.7%)	(1.3%)	(3.5%)
Mean		(3.4%)	(3.7%)	(3.8%)	(2.5%)	(2.9%)
Median		(2.2%)	(2.9%)	(4.5%)	(2.7%)	(2.8%)
High		(0.2%)	(0.1%)	(0.1%)	1.4%	1.4%
Low		(10.4%)	(7.9%)	(7.7%)	(6.2%)	(7.6%)

Luna Production Slate Update

Film ¹		
Title	Release Date	Total Gross (\$mm)
Power Rangers	March '17	-
Boo! A Madea Halloween	October '16	-
Deepwater Horizon	September '16	-
The Wild Life	September '16	-
Out Kind of Traitor	July '16	-
Now You See Me 2	June '16	\$45.8
The Divergent Series: Allegiant	March '16	\$177
Gods of Egypt	February '16	\$142
The Hunger Games: Mockingjay Part 2	November '15	\$653
The Divergent Series: Insurgent	March '15	\$297
The Hunger Games: Mockingjay Part 1	November '14	\$755
Divergent	March '14	\$289
Now You See Me	May '13	\$352
The Hunger Games: Catching Fire	November '13	\$865
The Hunger Games	March '12	\$694

Television		
Title	Seasons	Comment
Mad Men	7	Finished FY15
Nurse Jackie	7	Finished FY15
Orange Is The New Black	3	Breakout hit, renewed for S4. Probably another 3 – 4 seasons to come
Nashville	3	Renewed for S4 (Sep-15). Decline in average rating (S3: 1.34 vs. S2: 1.5). S2 ratings also declined over its run
Manhattan	1	Renewed for S2 with good reviews. WGN series i.e. less premium
The Royals	1	Renewed for S2. E! network series i.e. less premium
Anger Management	2	Cancelled. 100 episodes aired
Houdini	1	Mini-series, not repeating
Ascension	1	Mini-series, not repeating

- Appears to be weakening TV production slate, although we note we have not seen development slate
- Loss of AMC (Mad Men) and Showtime (Nurse Jackie) titles, which have been replaced by less premium basic cable series and miniseries
- Mad Men and Nurse Jackie still expected to provide ongoing library value to Luna at a strong margin



Source: Company filings, Box Office Mojo

Note:

1) Includes domestic and international box office sales through Sunday June 12, 2016

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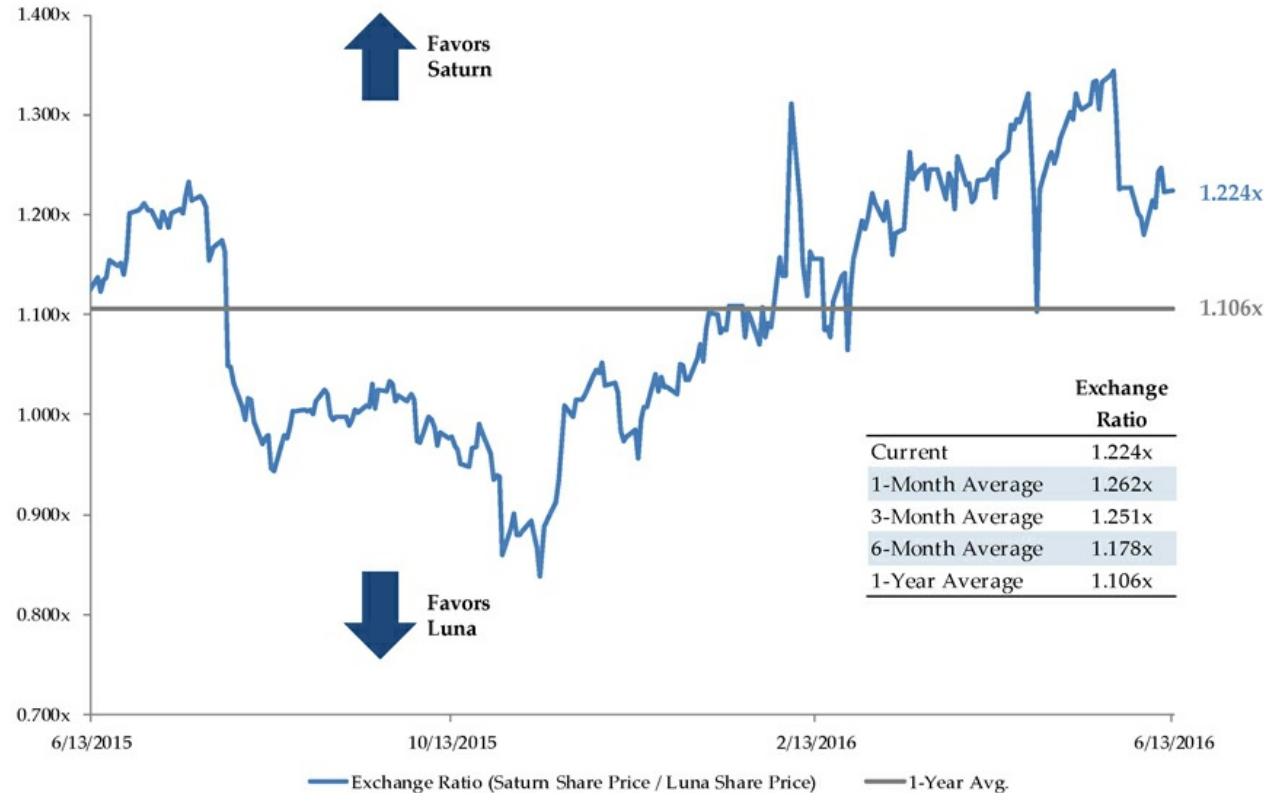
Luna Detailed Financial Projections (Fiscal Year)

(\$mm)	Fiscal Year Ended March 31,						CAGR	CAGR	
	2013A	2014A	2015A	2016A	2017E	2018E	2019E	'13A-'16A	'17E-'19E
Motion Pictures	2,329	2,183	1,820	1,678	1,874	1,913	2,404		
% Growth	-	(6.3%)	(16.6%)	(7.8%)	11.7%	2.1%	25.7%		
Television Productions	379	447	580	670	979	1,094	1,188		
% Growth	-	18.0%	29.5%	15.6%	46.1%	11.8%	8.6%		
Revenue	2,708	2,630	2,400	2,347	2,853	3,007	3,592	(4.7%)	12.2%
% Growth	-	(2.9%)	(8.8%)	(2.2%)	21.5%	5.4%	19.5%		
Direct Operating Expenses									
Motion Pictures	(1,078)	(981)	(828)	(874)	(911)	(884)	(1,103)		
% of Segment Revenue	46.3%	44.9%	45.5%	52.1%	48.6%	46.2%	45.9%		
Television	(313)	(388)	(488)	(532)	(837)	(929)	(990)		
% of Segment Revenue	82.5%	86.8%	84.2%	79.4%	85.6%	84.9%	83.3%		
Direct Operating Expenses	(1,391)	(1,369)	(1,316)	(1,407)	(1,749)	(1,813)	(2,093)		
% of Revenue	51.3%	52.1%	54.8%	59.9%	61.3%	60.3%	58.3%		
Distribution and Marketing									
Motion Pictures	(788)	(710)	(543)	(619)	(680)	(697)	(825)		
% of Segment Revenue	33.8%	32.5%	29.8%	36.9%	36.3%	36.5%	34.3%		
Television	(30)	(30)	(36)	(39)	(30)	(35)	(35)		
% of Segment Revenue	8.0%	6.6%	6.2%	5.9%	3.0%	3.2%	2.9%		
Distribution and Marketing	(818)	(740)	(579)	(658)	(710)	(733)	(860)		
% of Revenue	30.2%	28.1%	24.1%	28.0%	24.9%	24.4%	23.9%		
Gross Contribution									
Motion Pictures	464	492	450	184	267	279	361		
% Margin	19.9%	22.5%	24.7%	11.0%	14.2%	14.6%	15.0%		
Television	36	30	55	104	116	135	170		
% Margin	9.4%	6.6%	9.5%	15.5%	11.8%	12.3%	14.3%		
Total Gross Contribution	500	521	505	288	383	414	531		
% Margin	18.4%	19.8%	21.0%	12.3%	13.4%	13.8%	14.8%		
General and Administrative									
Plus: SBC	48	72	82	79	86	85	49		
Other Add Backs	-	-	53	51	59	43	47		
EBITDA (incl. equity gains)	332	346	385	162	251	264	348	(21.2%)	17.8%
% Growth	-	4.4%	11.2%	(57.8%)	54.5%	5.1%	32.1%		
% Margin	12.2%	13.2%	16.0%	6.9%	8.8%	8.8%	9.7%		
EBITDA (excl. equity gains)	335	321	332	111	192	220	301	(30.8%)	25.2%
% Growth	-	(4.0%)	3.4%	(66.6%)	73.0%	14.7%	36.7%		
% Margin	12.4%	12.2%	13.9%	4.7%	6.7%	7.3%	8.4%		

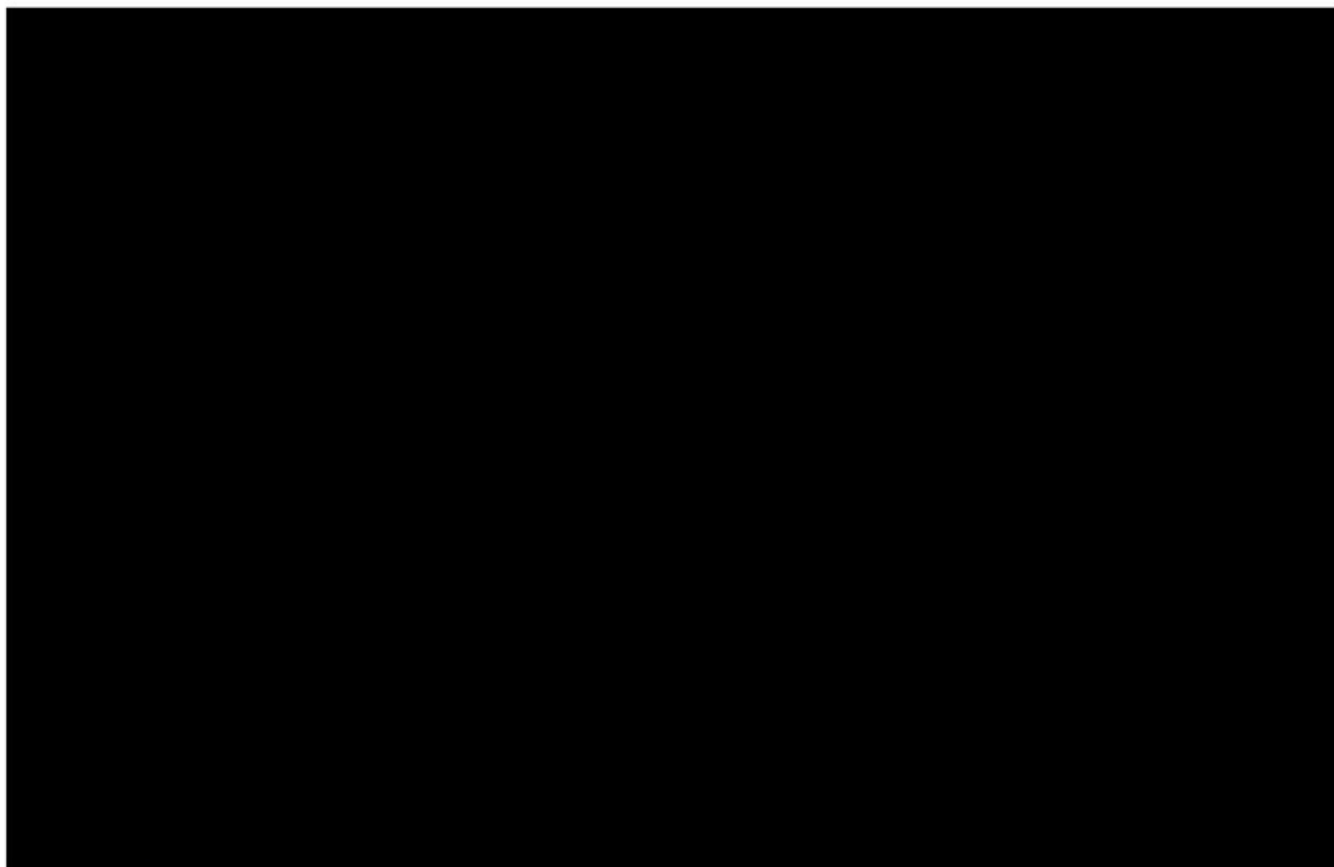


Source: Public company filings, Wall Street research
 1) Fiscal years 2017E – 2019E based on Luna estimates
 2) Other revenue and cost items not shown

Saturn / Luna Historical Exchange Ratio



Saturn / [REDACTED] Historical Exchange Ratio



Source: FactSet
Note: Assumes 100% stock transaction

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STRICTLY CONFIDENTIAL

Project Galaxy

Presentation to the Board of Directors



June 20th, 2016

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Section 1

Executive Summary



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Saturn Offer Comparison

	Saturn Series A @ Market ^{1,4}	Luna Offer ²	████ Offer	
			Fixed Exchange Ratio	Fixed Price
		Series A	Series A	Series A
		Offer	Offer	Offer
<i>(\$mm unless indicated)</i>				
Current Acquirer Stock Price		\$21.34	████	████
Exchange Ratio		0.5660x	0.6000x	0.6142x
Stock Per Share		\$11.72	\$32.24	\$33.00
Cash Per Share		\$20.00	-	-
Price / Offer Value Per Series A Share (\$)	\$26.36	\$31.72	\$32.24	\$33.00
<i>Implied Premium to Current Series A Price of \$26.36</i>	-	20.3%	22.3%	25.2%
<i>Implied Premium to 30-Day Series A VWAP of \$26.60</i>	(0.9%)	19.2%	21.2%	24.0%
Equity Value¹	2,726	3,319	3,376	3,461
Plus: Net Debt & Other	1,101	1,101	1,101	1,101
Enterprise Value	3,827	4,419	4,477	4,561

	Metric (\$mm)	Implied Multiples			
EV / EBITDA (Pre-SBC)					
CY 2016E EBITDA - Management Case	490	7.8x	9.0x	9.1x	9.3x
CY 2017E EBITDA - Management Case	543	7.1x	8.1x	8.3x	8.4x
CY 2016E EBITDA - Sensitivity Case	480	8.0x	9.2x	9.3x	9.5x
CY 2017E EBITDA - Sensitivity Case	503	7.6x	8.8x	8.9x	9.1x
EV / EBITDA (Post-SBC)					
CY 2016E EBITDA - Management Case	460	8.3x	9.6x	9.7x	9.9x
CY 2017E EBITDA - Management Case	511	7.5x	8.6x	8.8x	8.9x
CY 2016E EBITDA - Sensitivity Case	450	8.5x	9.8x	10.0x	10.1x
CY 2017E EBITDA - Sensitivity Case	471	8.1x	9.4x	9.5x	9.7x

Source: Saturn management projections, public company filings, Wall Street research

Note: Prices as of June 17, 2016

1) Assumes Series B shares received the same consideration as the Series A shares; in Luna deal, actual equity value and enterprise value are \$3.33bn and \$4.45bn, respectively; █████

2) Assumes 3% discount of non-voting to voting shares (please see page 23 for detail)

3) JCM has 0.1mm shares of Series A Saturn stock and 6.2mm shares of Series B Saturn stock for a total voting stake of 33.1%, economic stake of 6.1% and a value of \$165mm @ market; JCM has 4.4mm shares of Luna common stock for a total voting stake of 2.9%, economic stake of 2.9% and a value of \$94mm @ market

4) Luna has 2.1mm shares of Series A Saturn stock and 2.6mm shares of Series B Saturn stock for a total voting stake of 15.0%, economic stake of 4.5% and a value of \$123mm @ market



Confidential information has been omitted and filed separately with the Securities and Exchange Commission.
Confidential treatment has been requested with respect to this omitted information.

Comparison of Offers

	Luna	[REDACTED]
Price / Value	<ul style="list-style-type: none"> \$20.00 per share in cash + 0.5660x shares of Luna implies \$31.72 per share (based on current price of \$21.34)^{1,2} As part of the transaction, Luna will recapitalize its shares into voting and non-voting structure Consideration received by Saturn A shareholders will be in the form of non-voting stock 63% cash / 37% stock mix to Series A 	<ul style="list-style-type: none"> \$33.00 fixed value OR <ul style="list-style-type: none"> 0.6000x fixed exchange ratio Implies \$32.24 based on current price³ and \$32.20 based on 30-day VWAP
Consideration	<ul style="list-style-type: none"> 10% premium and 20% cash / 80% stock mix to Series B <ul style="list-style-type: none"> Stock portion is half voting and half non-voting both at an exchange ratio of 0.6614x for each (1.3228x total) PF Saturn ownership of 28.9% Resulting in PF net leverage of -5.3x excluding synergies and -5.0x including synergies⁴ 	<ul style="list-style-type: none"> 100% non-voting Series B [REDACTED] stock 10% premium to Series B PF Saturn ownership of -12.0% Resulting PF net leverage of -2.2x excluding synergies
Tax Treatment	Taxable to shareholders	Tax-free
Financing Certainty	Expect fully committed financing	No condition
Timing to Close	6-8 months	7-12 months

Source: Per Saturn management

Note:

1) Assumes 3% discount for non-voting stock

2) Based on current prices as of market close on June 17, 2016

3) Leverage excludes production loans; EBITDA excludes start-up cost adjustments which would add an additional -0.4x

4) Includes \$52mm in run-rate cost synergies



Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Comparison of Offers (cont.)

	Luna	[REDACTED]
Key Considerations	<ul style="list-style-type: none"> ■ [REDACTED] ■ Ready to sign the deal as early as tomorrow morning 	<ul style="list-style-type: none"> ■ [REDACTED] ■ Timing to sign 2-4 days
Buyer Stockholder Approval	<ul style="list-style-type: none"> ■ Statutory approval to create new Series of non-voting stock (66-2/3% of present/voting) ■ NYSE vote (majority of present/voting) ■ MOM vote likely required to create non-voting stock ■ Luna offered expenses for no vote/market fee for rec pull ■ Voting agreement from MHR requested 	<ul style="list-style-type: none"> ■ Received unanimous board approval ■ No shareholder vote required
Saturn Stockholder Approval	<ul style="list-style-type: none"> ■ Statutory stockholder approval (majority of voting power) ■ A-only (other than JCM/Luna) MOM vote requested by SC [Open] ■ Voting agreement from JCM and Luna requested <ul style="list-style-type: none"> ▶ Open: 18 month tail and ROFO in JCM agreement 	<ul style="list-style-type: none"> ■ Statutory stockholder approval (majority of voting power) ■ MOM vote TBD ■ Voting agreement requested from JCM (and six month lock-up)
Regulatory	<ul style="list-style-type: none"> ■ HSR: Low risk of business restrictions as condition to approval (Reasonableness standard; no RBF) ■ FCC: Approval for CIC of uplink license but likely would not present a problem 	<ul style="list-style-type: none"> ■ HSR: Collective view of counsel is approval is more likely than not with a potentially high risk of conditionality ([REDACTED] not obligated to agree; no RBF) ■ FCC: Approval for CIC of uplink license should not present a problem



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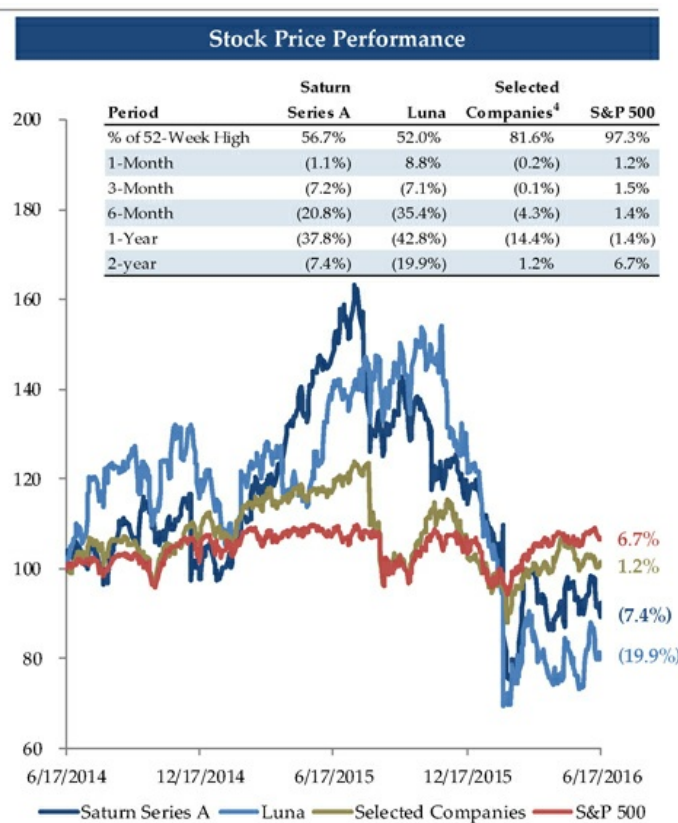
Section 2

Saturn Standalone Valuation



Saturn Valuation Snapshot

Summary Trading Valuation (as of 6/17/2016)	
<i>(\$mm, unless indicated)</i>	@ Market
Series A Share Price	\$26.36
Fully Diluted Shares	93.7
Series B Share Price	\$26.07
Fully Diluted Shares	9.9
Blended Current Share Price @ Market (\$)¹	\$26.33
Fully Diluted Shares²	103.5
Equity Value	2,726
Plus: Debt @ 3/31/16	1,129
Less: Cash @ 3/31/16	(10)
Less: Value of Equity Investments³	(19)
Enterprise Value	3,827
EV /	Metric (\$mm) Multiples
CY 2016E EBITDA (Pre-SBC)	490 7.8x
CY 2017E EBITDA (Pre-SBC)	543 7.1x
CY 2016E EBITDA (Post-SBC)	460 8.3x
CY 2017E EBITDA (Post-SBC)	511 7.5x
Leverage Statistics	
Net Debt / 2016E EBITDA	2.3x
Credit Ratings	BB / Ba2



Source: Public company filings, financial projections per Saturn management, FactSet

Notes:

1) Based on A and B shares, blended based on proportion of shares outstanding in each Series

2) Based on fully diluted shares using treasury stock method; consists of 98.4mm basic shares outstanding, 9.8mm A in-the-money options (at WAEP of \$18.95), 0.8mm RSAs, and 0.3mm RSUs

3) Represents PlayCo investment @ book value

4) Includes Discovery Communications, Time Warner Inc., Scripps Networks Interactive, 21st Century Fox, The Walt Disney Company, AMC Networks, and Viacom



Draft Working Materials – Subject To Change

Saturn Projected Financials

(\$mm)		Fiscal Year Ended December 31,					'15A-'20E	
		2015A	2016E	2017E	2018E	2019E	2020E	CAGR
Revenue	Management Case	1,700	1,700	1,789	1,868	1,930	1,995	3.3%
	<i>% Growth</i>	-	0.0%	5.2%	4.4%	3.3%	3.4%	
	Sensitivity Case	1,700	1,690	1,749	1,828	1,890	1,955	2.8%
	<i>% Growth</i>	-	(0.6%)	3.5%	4.5%	3.4%	3.4%	
EBITDA ¹	Management Case	462	490	543	612	633	654	7.2%
	<i>% Growth</i>	-	6.2%	10.7%	12.9%	3.3%	3.4%	
	<i>% Margin</i>	27.1%	28.8%	30.3%	32.8%	32.8%	32.8%	
	Sensitivity Case	462	480	503	572	593	614	5.9%
	<i>% Growth</i>	-	4.1%	4.6%	13.9%	3.6%	3.6%	
	<i>% Margin</i>	27.1%	28.4%	28.7%	31.3%	31.4%	31.4%	

Draft Working Materials – Subject To Change

Selected Publicly Traded Companies

Company	Closing Price 6/17/2016	% of 52-Week High	Equity Value ¹ (\$mm)	Enterprise Value (\$mm)	EV /		'16E-'18E CAGR	
					EBITDA ² 2016E	2017E	Revenue	EBITDA
Walt Disney	\$99.00	81.1%	163,088	184,213	10.2x	9.8x	5.2%	4.9%
Time Warner Inc.	\$72.37	79.2%	58,307	77,928	9.2x	8.6x	5.5%	7.1%
Fox	\$28.80	83.0%	54,958	59,772	8.3x	7.6x	5.6%	8.5%
██████	██████	██████	██████	██████	██████	██████	██████	██████
Viacom	\$44.42	64.9%	17,967	29,408	7.7x	7.4x	2.6%	2.3%
Discovery Communications	\$25.59	73.2%	15,921	22,872	9.3x	8.8x	5.9%	5.4%
Scripps Networks	\$63.97	93.5%	8,296	12,732	8.9x	8.5x	4.3%	3.5%
AMC Networks	\$59.50	68.2%	4,429	6,979	7.7x	7.3x	5.1%	4.1%
Mean					8.8x	8.3x	4.6%	5.1%
Median					8.9x	8.6x	5.1%	4.9%
Saturn @ Market								
Management Case	\$26.36	56.7%	2,726	3,827	7.8x	7.1x	4.8%	11.8%
Sensitivity Case					8.0x	7.6x	4.0%	9.2%
Saturn @ Offers - Multiples Based on Management Case								
Luna Offer @ 3.0% Discount			3,319	4,419	9.0x	8.1x		
██████ Offer at Fixed Exchange Ratio			██████	██████	9.1x	8.3x		
██████ Offer at Fixed Price			██████	██████	9.3x	8.4x		
Saturn @ Offers - Multiples Based on Sensitivity Case								
Luna Offer @ 3.0% Discount					9.2x	8.8x		
██████ Offer at Fixed Exchange Ratio					9.3x	8.9x		
██████ Offer at Fixed Price					9.5x	9.1x		

Source: Public company filings, Wall Street research, Saturn management projections

Notes:

1) Based on fully diluted shares outstanding using treasury stock method; if applicable, convertible debt treated on an as-if converted basis, with appropriate dilutive impact to shares outstanding for in the money converts

2) EBITDA multiples shown pre-SBC



Confidential information has been omitted and filed separately with the Securities and Exchange Commission.
Confidential treatment has been requested with respect to this omitted information.

Draft Working Materials – Subject To Change

Saturn Discounted Cash Flow Analysis – Based on Management Case¹

(\$mm)	Fiscal Year Ended December 31,				
	9 Mos '16E	2017E	2018E	2019E	2020E
EBITDA (Before SBC)	363	543	612	633	654
Less: Stock Based Compensation	(22)	(31)	(30)	(34)	(35)
Less: Depreciation & Amortization	(18)	(24)	(26)	(25)	(26)
EBIT	323	488	557	574	593
Less: Taxes @ 35%	(113)	(171)	(195)	(201)	(208)
After-Tax EBIT	210	317	362	373	386
Plus: Depreciation and Amortization	18	24	26	25	26
Less: Capex	(22)	(19)	(13)	(20)	(21)
Plus: Amortization of Programming Rights	443	605	599	619	639
Less: Program Rights Payments	(256)	(267)	(310)	(321)	(331)
Plus: Amortization of Investments in Films and TV Programs	100	145	146	151	156
Less: Investments in Film and TV Programs	(323)	(429)	(434)	(449)	(464)
Less: (Increase) / Decrease in Working Capital and Other	53	(43)	(52)	(57)	(63)
Unlevered Free Cash Flows	223	333	323	321	328

Present Value of Cash Flows	1,244
Present Value of Terminal Value	3,223
Present Value of Enterprise	4,467
Less: Net Debt & Other	(1,101)
Present Value of Equity	3,366
Shares	104.7
Price Per Share	\$32.14

DCF Equity Value Per Share					
WACC	LTM Terminal EBITDA Multiple				
	7.00x	7.25x	7.50x	7.75x	8.00x
8.75%	\$30.91	\$31.91	\$32.90	\$33.89	\$34.87
9.00%	30.55	31.54	32.52	33.50	34.47
9.25%	30.20	31.17	32.14	33.12	34.08
9.50%	29.84	30.81	31.77	32.73	33.69
9.75%	29.50	30.45	31.40	32.35	33.31



Source: Projected financial information per Saturn management

Notes:

1) Assumes mid-year convention, discounted back to 3/31/16; based on balance sheet as of 3/31/16 (net debt of \$1,120mm), equity in affiliates of \$19mm

Draft Working Materials – Subject To Change

Saturn Discounted Cash Flow Analysis – Based on Sensitivity Case¹

(\$mm)	Fiscal Year Ended December 31,				
	9 Mos '16E	2017E	2018E	2019E	2020E
EBITDA (Before SBC)	353	503	572	593	614
Less: Stock Based Compensation	(22)	(31)	(30)	(34)	(35)
Less: Depreciation & Amortization	(18)	(24)	(26)	(25)	(26)
EBIT	313	448	517	534	553
Less: Taxes @ 35%	(110)	(157)	(181)	(187)	(194)
After-Tax EBIT	204	291	336	347	360
Plus: Depreciation and Amortization	18	24	26	25	26
Less: Capex	(22)	(19)	(13)	(20)	(21)
Plus: Amortization of Programming Rights	443	605	599	619	639
Less: Program Rights Payments	(256)	(267)	(310)	(321)	(331)
Plus: Amortization of Investments in Films and TV Programs	100	145	146	151	156
Less: Investments in Film and TV Programs	(323)	(429)	(434)	(449)	(464)
Less: (Increase) / Decrease in Working Capital and Other	53	(43)	(52)	(57)	(63)
Unlevered Free Cash Flows	216	307	297	295	302

Present Value of Cash Flows	1,155
Present Value of Terminal Value	3,026
Present Value of Enterprise	4,182
Less: Net Debt & Other	(1,101)
Present Value of Equity	3,081
Shares	104.2
Price Per Share	\$29.56

DCF Equity Value Per Share						
WACC	LTM Terminal EBITDA Multiple					
	7.00x	7.25x	7.50x	7.75x	8.00x	
8.75%	\$28.40	\$29.33	\$30.27	\$31.20	\$32.14	
9.00%	28.06	28.99	29.91	30.84	31.76	
9.25%	27.73	28.64	29.56	30.47	31.39	
9.50%	27.40	28.30	29.21	30.11	31.02	
9.75%	27.07	27.97	28.86	29.76	30.65	



Source: Projected financial information per Saturn management

Notes:

1) Assumes mid-year convention, discounted back to 3/31/16; based on balance sheet as of 3/31/16 (net debt of \$1,120mm), equity in affiliates of \$19mm

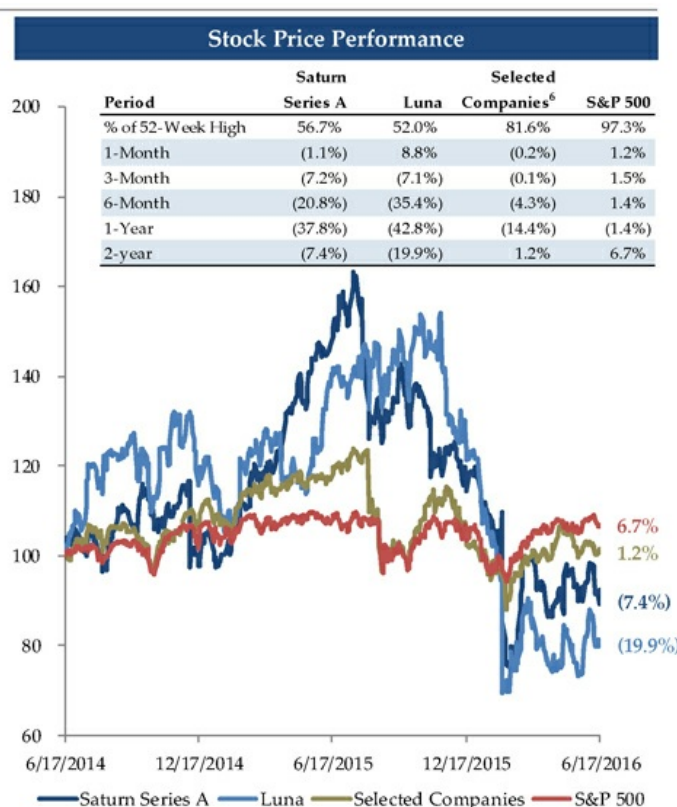
Section 3A

Luna Standalone Valuation



Luna Snapshot

Summary Trading Valuation (as of 6/17/2016)			
<i>(\$mm, unless indicated)</i>			
Share Price @ Market (\$)			\$21.34
Fully Diluted Shares ¹			153.0
Equity Value			3,264
Plus: Net Debt @ 3/31/16 ²			788
Plus: Minority Interests @ 3/31/16			98
Less: Equity Investments @ 3/31/16 ³			(801)
Gross Enterprise Value			3,350
Less: Value of Tax Attributes ⁴			(576)
Adj. Enterprise Value			2,774
EV /	Metric	Gross	Adjusted
	(\$mm)	Multiple	Multiple
FY 2016A EBITDA (Pre-SBC)	111	30.2x	25.0x
FY 2017E EBITDA (Pre-SBC)	192	17.4x	14.4x
FY 2016A EBITDA (Post-SBC)	33	103.1x	85.3x
FY 2017E EBITDA (Post-SBC)	106	31.6x	26.2x
Leverage⁵			
Net Debt / FY 2017E EBITDA (Excluding Start-up Costs)			3.1x
Net Debt / FY 2017E EBITDA (Including Start-up Costs)			4.2x
Credit Ratings			BB- / Ba3



Source: Projections per Saturn management, Public company filings

Notes:

1) Based on fully diluted shares outstanding using treasury stock method; convertible debt treated on an as-if converted basis with appropriate dilutive impact to shares outstanding for in the money converts; based on 147.2mm basic shares outstanding, 16.1mm in-the-money options outstanding (at WAEP of \$23.83) and 1.6mm RSUs

2) Net debt excludes production loans

3) Equity in affiliates assumes Epix valued at 9.0x FY 2016A operating income of \$168mm, implying a \$471mm value for Luna's 31% stake; assumes TVGN, ATOM Tickets, and Tribeca Short List valued @ book value; Defy Media / Celestial Tiger stakes valued at \$65mm; Saturn stake based on market prices

4) Includes net present value of difference between Luna cash tax rate given Canadian incorporation vs. peer normalized tax rate, incorporating value of existing NOLs

5) Includes equity income for leverage purposes

6) Includes Discovery Communications, Time Warner Inc., Scripps Networks Interactive, 21st Century Fox, The Walt Disney Company, AMC Networks, and Viacom



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Luna Financial Projections

(\$mm)	Fiscal Year Ended March 31,						CAGR	CAGR
	2016A	2017E	2018E	2019E	2020E	2021E	'16A-'19E	'16A-'21E
Motion Pictures	1,678	1,874	1,913	2,404			12.7%	
<i>% Growth</i>	-	11.7%	2.1%	25.7%				
Television	670	979	1,094	1,188			21.1%	
<i>% Growth</i>	-	46.1%	11.8%	8.6%				
Revenue	2,347	2,853	3,007	3,592	3,435	3,457	15.2%	8.1%
<i>% Growth</i>	-	21.5%	5.4%	19.5%	(4.4%)	0.6%		
Gross Contribution								
Motion Pictures	184	267	279	361			25.1%	
<i>% Margin</i>	11.0%	14.2%	14.6%	15.0%				
Television	104	116	135	170			17.7%	
<i>% Margin</i>	15.5%	11.8%	12.3%	14.3%				
Total Gross Contribution	288	383	414	531			22.6%	
<i>% Margin</i>	12.3%	13.4%	13.8%	14.8%				
EBITDA Pre-SBC (incl. equity gains)	162	251	264	348	364	363	17.8%	17.5%
<i>% Growth</i>	-	54.5%	5.1%	32.1%	4.4%	(0.1%)		
<i>% Margin</i>	6.9%	8.8%	8.8%	9.7%	10.6%	10.5%		
EBITDA Pre-SBC (excl. equity gains)	111	192	220	301			25.2%	
<i>% Growth</i>	-	73.0%	14.7%	36.7%				
<i>% Margin</i>	4.7%	6.7%	7.3%	8.4%				
Unlevered Free Cash Flow (pre-tax)	126	155	172	202	292	312	14.2%	19.9%
<i>% Growth</i>	-	23.2%	11.3%	17.1%	44.9%	6.7%		
Levered Free Cash Flow	70	93	115	152			27.7%	
<i>% Growth</i>	-	32.5%	23.0%	32.5%				

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Luna Financial Projections vs. Research Consensus

(\$mm)		Fiscal Year Ended March 31,					'16A-'20E
		2016A	2017E	2018E	2019E	2020E	CAGR
Revenue	Management Case	2,347	2,853	3,007	3,592	3,435	10.0%
	<i>% Growth</i>	-	21.5%	5.4%	19.5%	(4.4%)	
	Research Consensus²	2,347	2,571	2,755	2,979	3,232	8.3%
	<i>% Growth</i>	-	9.5%	7.1%	8.2%	8.5%	
	Differential (Management - Research)	-	282	252	613	203	
EBITDA ¹	Management Case	162	251	264	348	364	22.3%
	<i>% Growth</i>	-	54.5%	5.1%	32.1%	4.4%	
	<i>% Margin</i>	6.9%	8.8%	8.8%	9.7%	10.6%	
	Research Consensus²	162	263	305	349	403	25.5%
	<i>% Growth</i>	-	62.1%	16.0%	14.3%	15.6%	
	<i>% Margin</i>	6.9%	10.2%	11.1%	11.7%	12.5%	
	Differential (Management - Research)	-	(12)	(42)	(1)	(40)	

Source: Projections per Saturn management, Research consensus per Wall Street research

Note:

1) EBITDA shown including equity income / gain on asset sales and pre stock based compensation

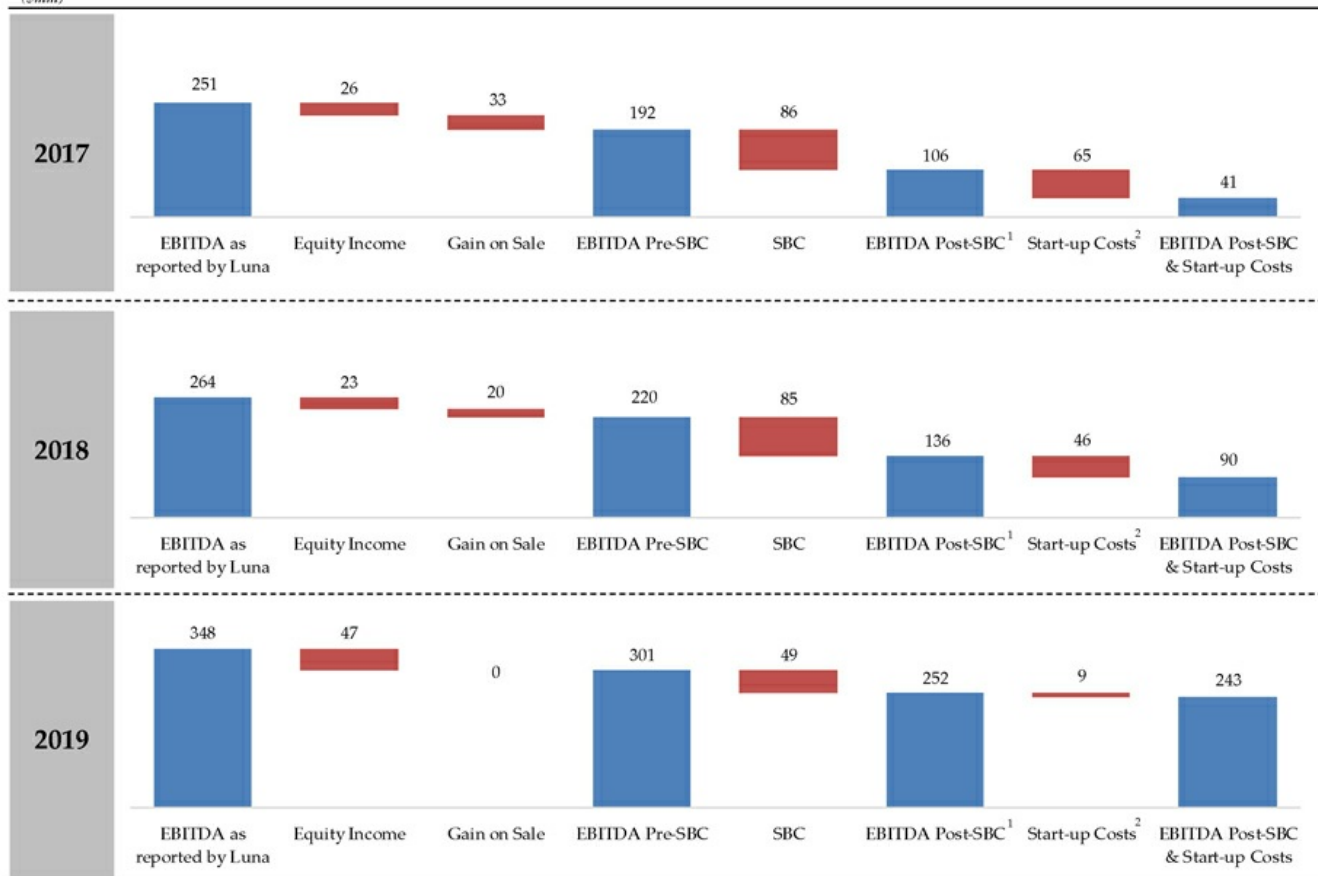
2) Represents consensus for FY2017E and FY2018E; FY2019E/FY2020E calculated based on average annual growth rates for research analysts that project in these years



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Luna EBITDA Bridge

(\$mm)



Source: Projections per Saturn management

Note:

1) EBITDA Pre-SBC includes income from Epix, POP Network, and various other minority equity investment gains and losses

2) Start-up costs of \$64.9mm in 2017E, \$45.7mm in 2018E and \$8.7mm in 2019E



Draft Working Materials – Subject To Change

Luna Discounted Cash Flow Analysis¹

(\$mm)	Fiscal Year Ended March 31,				
	2017E	2018E	2019E	2020E	2021E
Adjusted EBITDA (excl. equity gains)	192	220	301	317	316
Less: Stock Based Compensation	(86)	(85)	(49)	(49)	(49)
Less: Depreciation & Amortization	(17)	(18)	(18)	(17)	(17)
EBIT	89	117	234	250	249
Less: Taxes @ 15%	(13)	(18)	(35)	(38)	(37)
After-Tax EBIT	75	100	199	213	212
Plus: Depreciation and Amortization	17	18	18	17	17
Less: Capex	(11)	(7)	(7)	(7)	(7)
Less: Investment in Film and TV, Net of Amortization	(70)	51	(34)	(17)	0
Less: (Increase) / Decrease in Working Capital	78	(54)	(49)	(49)	(49)
Less: Start-up Costs and Other	(51)	(42)	(9)	0	0
Unlevered Free Cash Flows	39	65	117	156	173

Present Value of Cash Flows	413
Present Value of Terminal Value	2,779
Present Value of Enterprise	3,193
Less: Net Debt & Other	(86)
Present Value of Equity	3,107
Shares	153.0
Price Per Share	\$20.31

DCF Equity Value Per Share

WACC	LTM Terminal EBITDA Multiple				
	13.00x	13.50x	14.00x	14.50x	15.00x
9.25%	\$19.44	\$20.11	\$20.77	\$21.43	\$22.10
9.50%	19.23	19.88	20.54	21.20	21.85
9.75%	19.01	19.66	20.31	20.96	21.61
10.00%	18.81	19.45	20.09	20.73	21.37
10.25%	18.60	19.23	19.87	20.50	21.14



Source: Projections per Saturn management

Notes:

1) Assumes mid-year convention, discounted back to 3/31/16; based on balance sheet as of 3/31/16 (net debt of \$788mm), equity in affiliates of \$801mm and minority interest of \$98mm; excludes value of operating losses which have been incorporated in the 15.0% tax rate

Section 3B

Luna Transaction Overview



Overview of Luna Proposal

Luna Proposal				Pro Forma Ownership																																																															
<ul style="list-style-type: none"> Series A consideration: <ul style="list-style-type: none"> \$20.00 in cash per share 0.5660x shares of newly created Luna non-voting common stock Series B consideration: <ul style="list-style-type: none"> 10% premium relative to Saturn Series A for total value of the offer 80% stock and 20% cash consideration <ul style="list-style-type: none"> Exchange ratio of 0.6614x shares of newly created Luna non-voting common stock and 0.6614x shares of voting common stock (total exchange ratio of 1.3228x) Implies in total ~60% cash consideration and ~40% stock consideration 																																																																			
Value of Offer¹																																																																			
	Series A Non-Voting @ 3.0% Discount	Series B Voting @ No Discount	Series B Non-Voting @ 3.0% Discount																																																																
Cash	\$20.00	\$7.06	\$7.06																																																																
Stock	\$11.72	\$28.23	\$27.38																																																																
Total	\$31.72	\$35.29	\$34.44																																																																
				Pro Forma Ownership																																																															
				<table border="1"> <thead> <tr> <th></th> <th>Series A Non-Voting</th> <th>Series B Voting</th> <th>Series B Non-Voting</th> </tr> </thead> <tbody> <tr> <td>Luna Offer Exchange Ratio</td> <td>0.5660x</td> <td>0.6614x</td> <td>0.6614x</td> </tr> <tr> <td>Saturn Shares Today²</td> <td>94.8</td> <td>9.9</td> <td>9.9</td> </tr> <tr> <td>Less: Luna Shares in Saturn</td> <td>(2.1)</td> <td>(2.6)</td> <td>(2.6)</td> </tr> <tr> <td>Saturn Shares Acquired</td> <td>92.7</td> <td>7.3</td> <td>7.3</td> </tr> <tr> <td>New Luna Shares Issued to Saturn SHs</td> <td>52.4</td> <td>4.8</td> <td>4.8</td> </tr> <tr> <td colspan="4"></td> </tr> <tr> <td colspan="4"></td> <td>Shares (mm)</td> <td>Economic Own. (%)</td> <td colspan="2"></td> </tr> <tr> <td colspan="4">Current Fully Diluted Luna Shares Outstanding</td> <td>153</td> <td>71.1%</td> <td colspan="2"></td> </tr> <tr> <td colspan="4">New Shares Issued to Saturn SHs</td> <td>62</td> <td>28.9%</td> <td colspan="2"></td> </tr> <tr> <td colspan="4">Pro Forma Fully Diluted Shares Outstanding</td> <td>215</td> <td>100.0%</td> <td colspan="2"></td> </tr> </tbody> </table>					Series A Non-Voting	Series B Voting	Series B Non-Voting	Luna Offer Exchange Ratio	0.5660x	0.6614x	0.6614x	Saturn Shares Today ²	94.8	9.9	9.9	Less: Luna Shares in Saturn	(2.1)	(2.6)	(2.6)	Saturn Shares Acquired	92.7	7.3	7.3	New Luna Shares Issued to Saturn SHs	52.4	4.8	4.8									Shares (mm)	Economic Own. (%)			Current Fully Diluted Luna Shares Outstanding				153	71.1%			New Shares Issued to Saturn SHs				62	28.9%			Pro Forma Fully Diluted Shares Outstanding				215	100.0%		
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				5.0x																																																															

Source: Projections per Saturn management, public company filings

Note:

1) Based on Luna current price of \$21.34

2) Based on fully diluted shares using treasury stock method; consists of 98.4mm basic shares outstanding, 9.8mm in-the-money options (at WAEP of \$18.95), 0.8mm RSAs, and 0.3mm RSUs

3) Excludes production loans

4) Adjusting Luna EBITDA for start-up costs, leverage excluding synergies would be 5.7x and including synergies would be 5.3x

5) Includes \$52mm in run-rate cost synergies



Draft Working Materials – Subject To Change

Preliminary Overview of Current Financing Terms¹

- **Commitment Length:** 6 months plus 3 month regulatory tail
- **Assumed Ratings:** Corporate: B1/B+
- **Conditionality:** No diligence conditionality
- ~5.0% weighted average cost of debt at quoted terms (~6.4% at capped financing terms)

	Amount (\$mm)	Maturity	Interest	Fees	Pricing Flex	Other
Cash Flow Revolver	1,000	5 Years	L + 250 (no floor)		*125bps *Max 25bps OID (4-year life)	*37.5bps unused commitment fee *\$500mm may be drawn on the closing
Term Loan A	1,000	5 Years	L + 250 (no floor)	*1.00% Commitment Fee *0.50% upfront fee (if needed to syndicate)	*125bps (150bps if closing is longer than 6 months) *Max 50bps OID (4-year life)	
Term Loan B	1,900	7 Years	L + 375 (0.75% floor)	*1.50% Commitment Fee *1.00% upfront fees/OID	*125bps *Max 25bps OID (4-year life)	*Excess Cash Flow (50% with leverage based step downs to 25% and 0% to be agreed – based on net first lien leverage)
Bonds	1,000	8 Years	7.50%	*1.00% Commitment Fee *1.00% Funding Fee *1.50% Conversion Fee *1.50% Underwriting Fee		*9.50%, step ups of: --(1) 25 bps if Closing Date has not occurred on or prior to the later of (A) 4 months after signing and (B) 11/1/16; --(2) 25 bps if Closing Date has not occurred on or prior to the later of (A) 7 months after signing and (B) 2/1/17; and --(3) 25 bps if corporate ratings are less than B1 and B+. *Tranche cap of +150 bps to Unsecured Bridge Cap



Note:
1) Provided by Luna on 6/18

Draft Working Materials – Subject To Change

Transaction Financing Structure

Luna will require ~\$4bn of new capital commitment to finance the proposed transaction

Overview of Current Capital Structure							Sources & Uses (Pre-Equity Raise)	
Luna¹							Sources	
Tranche	Amount (\$mm)	Maturity	Coupon	Price	Refi?	Estimated Breakage Costs	Sources	\$mm
Senior Notes	225	Aug-18	5.25%	102.75	Yes	11	Term Loan A	1,000
Term Loan	400	Mar-22	L+400		Yes	8	Term Loan B	1,900
Revolver	161	Sep-17	L+250		Yes	-	Bonds	1,000
Converts	60	Apr-18	1.25%	98.50	No	-	Luna Equity Issued to Saturn Shareholders	1,288
Total	846					19	Total Sources	5,188
Saturn							Uses	
Tranche	Amount (\$mm)	Maturity	Coupon	Price	Refi?	Estimated Breakage Costs	Uses	\$mm
Revolver	391	Apr-20	L+150-225		Yes	-	Saturn Equity Purchased With Cash	1,905
Senior Notes	675	Sep-19	5.00%	101.95	Yes	7	Saturn Equity Purchased With Stock	1,288
Cap Leases	63				No	-	Cash to Balance Sheet	18
Total	1,129					7	Luna Senior Notes	225
							Luna Term Loan	400
							Luna Revolver	161
							Saturn Revolver	391
							Saturn Senior Notes	675
							Breakage Costs	25
							Transaction Costs	100
							Total Uses	5,188



Source: Bloomberg
 Note:
 1) Excludes production loans

Pro Forma Liquidity Analysis

Liquidity and leverage shown before potential equity raise

(\$mm, unless indicated)	Assuming Base Case ¹ @ Quoted Financing Terms			\$60mm EBITDA Reduction @ Capped Financing Terms			\$120mm EBITDA Reduction @ Capped Financing Terms		
	Calendar YE Dec. 31,			Calendar YE Dec. 31,			Calendar YE Dec. 31,		
	2016E	2017E	2018E	2016E	2017E	2018E	2016E	2017E	2018E
Saturn EBITDA	490	543	612	490	543	612	490	543	612
Luna EBITDA	229	260	327	229	260	327	229	260	327
EBITDA Synergies	-	52	52	-	52	52	-	52	52
Less: Sensitivity	-	-	-	(30)	(45)	(60)	(60)	(90)	(120)
Total EBITDA	719	855	991	689	810	931	659	765	871
Less: Capex		(27)	(20)		(27)	(20)		(27)	(20)
Less: Assumed Integration Costs		(20)	(5)		(20)	(5)		(20)	(5)
Less: Investment in Film/TV, Net of Amort.		75	(13)		75	(13)		75	(13)
Less: Working Capital		(68)	(97)		(68)	(97)		(68)	(97)
Less: Other Adjustments		(80)	(67)		(80)	(67)		(80)	(67)
Unlevered Pre-Tax FCF		735	789		690	729		645	669
Less: Pro Forma Interest		(197)	(184)		(253)	(240)		(254)	(242)
Less: Solar Cash Taxes		(4)	(5)		(4)	(5)		(4)	(5)
Free Cash Flow		535	599		433	484		388	421
Less: Dividend (suspended post transaction)		-	-		-	-		-	-
Less: Other Financing		(8)	(81)		(8)	(81)		(8)	(81)
Less: Repayment of TL		(263)	(265)		(213)	(205)		(190)	(174)
Post-Dividend Cash Flow		263	254		213	197		190	167
Ending Cash ²	197	461	715	197	410	607	197	387	554
Ending Debt	4,023	3,756	3,396	4,023	3,807	3,505	4,023	3,830	3,559
Ending Net Debt	3,826	3,296	2,682	3,826	3,397	2,897	3,826	3,442	3,005
Ending Net Leverage	5.3x	3.9x	2.7x	5.6x	4.2x	3.1x	5.8x	4.5x	3.4x



Source: Projections per Saturn management

Note: Assumes 12/31/2016 transaction close

1) Base case refers to projections for Luna and Saturn per Saturn management

2) Includes cash generated from sign to close by Saturn and Luna

Draft Working Materials – Subject To Change

Analysis of Premiums For Voting vs. Non-Voting Shares

Company	Structure	Current	6 Month Avg	1 Year Avg	3 Year Avg	5 Year Avg
Alphabet	No Vote / Low Vote	(1.8%)	(2.5%)	(3.1%)	na	na
CBS	No Vote / Low Vote	(6.7%)	(7.8%)	(7.7%)	(3.2%)	(2.5%)
Discovery Communications	No Vote / Low Vote	(3.3%)	(3.3%)	(4.7%)	(6.1%)	(7.5%)
Liberty Braves	No Vote / Low Vote	(1.4%)	na	na	na	na
Liberty Global	No Vote / Low Vote	(1.8%)	(2.8%)	(4.4%)	(5.5%)	(6.4%)
Liberty Interactive	Low Vote / High Vote	(0.5%)	(0.1%)	(0.1%)	0.6%	1.4%
Liberty Media	No Vote / Low Vote	(1.6%)	(2.2%)	(2.2%)	(2.2%)	(2.2%)
Liberty Sirius	No Vote / Low Vote	(2.6%)	na	na	na	na
Meredith Corporation	Low Vote / High Vote	(7.2%)	(6.1%)	(6.4%)	(3.4%)	(3.1%)
Twenty-First Century Fox, Inc.	No Vote / Low Vote	0.3%	(0.5%)	(0.3%)	1.4%	0.5%
Viacom	No Vote / Low Vote	(10.4%)	(7.9%)	(4.8%)	(1.4%)	(3.5%)
Mean		(3.4%)	(3.7%)	(3.8%)	(2.5%)	(2.9%)
Median		(1.8%)	(2.8%)	(4.4%)	(2.7%)	(2.8%)
High		0.3%	(0.1%)	(0.1%)	1.4%	1.4%
Low		(10.4%)	(7.9%)	(7.7%)	(6.1%)	(7.5%)

Draft Working Materials – Subject To Change

Value of Luna Offer – Sensitivity on Luna Stock Price

Before potential equity raise

Luna Stock Price	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00	\$20.00	\$21.34	\$22.00	\$23.00	\$24.00	\$25.00
% Premium / (Discount) to Current Price:	(29.7%)	(25.0%)	(20.3%)	(15.7%)	(11.0%)	(6.3%)	0.0%	3.1%	7.8%	12.5%	17.2%
Series A Exchange Ratio	0.5660x	0.5660x	0.5660x	0.5660x	0.5660x	0.5660x	0.5660x	0.5660x	0.5660x	0.5660x	0.5660x
Value of Stock Portion Per Share (post 3% discount)	\$8.24	\$8.78	\$9.33	\$9.88	\$10.43	\$10.98	\$11.72	\$12.08	\$12.63	\$13.18	\$13.73
Value of Cash Portion Per Share	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Value of Series A Offer Pre-Synergies	\$28.24	\$28.78	\$29.33	\$29.88	\$30.43	\$30.98	\$31.72	\$32.08	\$32.63	\$33.18	\$33.73
Value of Series B Offer Pre-Synergies	\$26.60	\$27.90	\$29.21	\$30.51	\$31.81	\$33.12	\$34.86	\$35.72	\$37.03	\$38.33	\$39.63
Value of Blended Offer Pre-Synergies	\$28.12	\$28.72	\$29.32	\$29.93	\$30.53	\$31.14	\$31.94	\$32.34	\$32.95	\$33.55	\$34.15
PV of Cost Synergies (\$mm) ¹	436	436	436	436	436	436	436	436	436	436	436
PV of Tax Synergies (\$mm) ¹	515	515	515	515	515	515	515	515	515	515	515
PV of Synergies (\$mm) ¹	951	951	951	951	951	951	951	951	951	951	951
Saturn PF Ownership ²	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%
PV of Synergies to Saturn Shareholders (\$mm)	274	274	274	274	274	274	274	274	274	274	274
Saturn Shares Outstanding @ Offer (mm) ³	100	100	100	100	100	100	100	100	100	100	100
Synergies per Saturn Share	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75
Value of Series A Offer Post-Synergies	\$30.98	\$31.53	\$32.08	\$32.63	\$33.18	\$33.73	\$34.46	\$34.82	\$35.37	\$35.92	\$36.47
% Premium to Current Saturn Series A Price	17.5%	19.6%	21.7%	23.8%	25.9%	27.9%	30.7%	32.1%	34.2%	36.3%	38.4%
% Premium to Saturn Midpoint DCF Value Per Share:											
Saturn Management Case DCF	(3.6%)	(1.9%)	(0.2%)	1.5%	3.2%	4.9%	7.2%	8.3%	10.0%	11.8%	13.5%
Saturn Sensitivity Case DCF	4.8%	6.7%	8.5%	10.4%	12.2%	14.1%	16.6%	17.8%	19.7%	21.5%	23.4%

Source: Projections per Saturn management

Note:

1) Includes \$52mm in run-rate cost synergies, net of \$25mm of integration costs (\$20mm in CY2017E and \$5mm in CY2018E); -\$50mm in annual tax savings

2) Assumes no equity raised

3) Excludes Saturn shares held by Luna



Draft Working Materials – Subject To Change

Discounted Cash Flow Analysis of Luna Synergies¹

(\$mm)	Calendar Year Ended December 31,			
	2017E	2018E	2019E	2020E
Synergies	52	52	52	52
% Growth	<i>nm</i>	0.0%	0.0%	0.0%
Less: Integration Costs	(20)	(5)	0	0
EBIT (post-integration costs)	32	47	52	52
Less: Taxes @ 15.0%	(5)	(7)	(8)	(8)
After-Tax EBIT	27	40	44	44
Tax Synergies	50	50	50	50
Total FCF from Synergies	77	90	94	94
% Growth	<i>nm</i>	16.5%	4.7%	0.0%
Discounted Free Cash Flows	69	73	70	64
NPV of Terminal Value				674
Total Synergy DCF Value²				951

Saturn Value Per Share of DCF Synergies

WACC				
9.00%	9.25%	9.50%	9.75%	10.00%
\$2.90	\$2.82	\$2.75	\$2.67	\$2.60

Sensitivity of DCF Synergy Value

WACC				
9.00%	9.25%	9.50%	9.75%	10.00%
1,006	977	951	925	901



Source: Projections per Saturn management
 1) Assumes mid-year convention, discounted back to 3/31/16
 2) Assumes 9.50% WACC and 0.0% PGR

Draft Working Materials – Subject To Change

Pro Forma Discounted Cash Flow Accretion/(Dilution) Analysis – Series A Offer

Analysis based on Saturn Management Case

Saturn Status Quo DCF Equity Value / Share

WACC	2020E LTM Terminal EBITDA Multiple				
	7.00x	7.25x	7.50x	7.75x	8.00x
8.75%	\$30.91	\$31.91	\$32.90	\$33.89	\$34.87
9.00%	30.55	31.54	32.52	33.50	34.47
9.25%	30.20	31.17	32.14	33.12	34.08
9.50%	29.84	30.81	31.77	32.73	33.69
9.75%	29.50	30.45	31.40	32.35	33.31

Luna DCF Enterprise Value	3,193
Saturn DCF Enterprise Value	4,467
Synergy DCF Value	951
Combined Pro Forma Enterprise Value	8,610
Less: Pro Forma Net Debt (@ 3/31/2016)	(3,956)
Plus: Other ¹	598
Combined Pro Forma Equity Value	5,253
Luna Pro Forma Shares Outstanding	215.0
Implied Luna Pro Forma DCF Equity Value per Share	\$24.43
Saturn Series A Exchange Ratio	0.5660x
Implied Saturn Share of PF DCF Equity Valuer per Share	\$13.83
Implied Cash Per Share	\$20.00
Total Value of Offer to Saturn	\$33.83
Standalone Saturn DCF Equity Value per Share	\$32.14
Accretion / (Dilution)	5.2%

Saturn Share of Pro Forma DCF Equity Value & Cash Per Share

WACC	2020E LTM Terminal EBITDA Multiple				
	Low	Mid	High	Low	High
Low	\$33.26	\$33.82	\$34.38	\$34.93	\$35.49
	33.00	33.55	34.10	34.65	35.20
Mid	32.74	33.28	33.83	34.37	34.91
	32.49	33.02	33.56	34.10	34.64
High	32.24	32.77	33.30	33.83	34.37

Accretion to Standalone DCF

WACC	Low	Mid	High	Low	High
Low	7.6%	6.0%	4.5%	3.1%	1.8%
	8.0%	6.4%	4.8%	3.4%	2.1%
Mid	8.4%	6.8%	5.2%	3.8%	2.5%
	8.9%	7.2%	5.6%	4.2%	2.8%
High	9.3%	7.6%	6.1%	4.6%	3.2%



Source: Projections per Saturn management

Note:

1) Other includes the market value of Luna equity in affiliates and minority interest, excluding Luna's current equity investment in Saturn; also includes value of Saturn investments

Draft Working Materials – Subject To Change

Pro Forma Discounted Cash Flow Accretion/(Dilution) Analysis – Series A Offer

Analysis based on Saturn Sensitivity Case

Saturn Status Quo DCF Equity Value / Share					
WACC	2020E LTM Terminal EBITDA Multiple				
	7.00x	7.25x	7.50x	7.75x	8.00x
8.75%	\$28.40	\$29.33	\$30.27	\$31.20	\$32.14
9.00%	28.06	28.99	29.91	30.84	31.76
9.25%	27.73	28.64	29.56	30.47	31.39
9.50%	27.40	28.30	29.21	30.11	31.02
9.75%	27.07	27.97	28.86	29.76	30.65
<hr/>					
Luna DCF Enterprise Value	3,193				
Saturn DCF Enterprise Value	4,182				
Synergy DCF Value	951				
Combined Pro Forma Enterprise Value	8,325				
Less: Pro Forma Net Debt (@ 3/31/2016)	(3,956)				
Plus: Other ¹	598				
Combined Pro Forma Equity Value	4,967				
Luna Pro Forma Shares Outstanding	215.0				
Implied Luna Pro Forma DCF Equity Value per Share	\$23.10				
Saturn Series A Exchange Ratio	0.5660x				
Implied Saturn Share of PF DCF Equity Valuer per Share	\$13.08				
Implied Cash Per Share	\$20.00				
Total Value of Offer to Saturn	\$33.08				
Standalone Saturn DCF Equity Value per Share	\$29.56				
Accretion / (Dilution)	11.9%				

Saturn Share of Pro Forma DCF Equity Value & Cash Per Share					
WACC	2020E LTM Terminal EBITDA Multiple				
	Low	Mid	High	Low	High
Low	\$32.53	\$33.07	\$33.61	\$34.15	\$34.69
	32.27	32.81	33.34	33.87	34.41
Mid	32.02	32.55	33.08	33.60	34.13
	31.78	32.30	32.82	33.34	33.86
High	31.53	32.05	32.56	33.08	33.60



Source: Projections per Saturn management
Note:

1) Other includes the market value of Luna equity in affiliates and minority interest, excluding Luna's current equity investment in Saturn; also includes value of Saturn investments

Accretion to Standalone DCF					
WACC	Low	Mid	High	Low	High
Low	14.6%	12.7%	11.0%	9.4%	7.9%
	15.0%	13.2%	11.5%	9.9%	8.3%
Mid	15.5%	13.6%	11.9%	10.3%	8.7%
	16.0%	14.1%	12.4%	10.7%	9.2%
High	16.5%	14.6%	12.8%	11.2%	9.6%

Section 4A

██████████ Standalone Valuation



Confidential information has been omitted and filed separately with the Securities and Exchange Commission.
Confidential treatment has been requested with respect to this omitted information.

Valuation Snapshot

Summary Trading Valuation (as of 6/17/2016)

(\$mm, unless indicated)

Series A Share Price	
Fully Diluted Shares	
Series B Share Price	
Fully Diluted Shares	
Blended Current Share Price @ Market (\$)¹	
Fully Diluted Shares ²	
Equity Value	
Plus: Net Debt @ 3/31/16 ³	
Less: Equity Investments @ 3/31/16	
Enterprise Value	
<u>EV /</u>	<u>Metric (\$mm)</u> <u>Multiple</u>
CY 2016E EBITDA (Pre-SBC)	
CY 2017E EBITDA (Pre-SBC)	
CY 2016E EBITDA (Post-SBC)	
CY 2017E EBITDA (Post-SBC)	
<u>Leverage Statistics</u>	
Net Debt / 2016E EBITDA	
Credit Ratings	

Stock Price Performance

Period	Saturn Series A	Saturn Series B	Selected Companies ⁴	S&P 500
% of 52-Week High	56.7%		81.6%	97.3%
1-Month	(1.1%)		(0.2%)	1.2%
3-Month	(7.2%)		(0.1%)	1.5%
6-Month	(20.8%)		(4.3%)	1.4%
1-Year	(37.8%)		(14.4%)	(1.4%)
2-year	(7.4%)		1.2%	6.7%

— Saturn Series A
 — Selected Companies
 — S&P 500

Source: Public company filings, projections per Saturn management, FactSet

Notes:

1) Based on A and B shares, blended based on proportion of shares outstanding in each Series

2) Based on fully diluted shares using treasury stock method;



Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Draft Working Materials – Subject To Change

Financial Projections

(\$mm)	Fiscal Year Ended December 31,						'15A-'18E	'15A-'20E
	2015A	2016E	2017E	2018E	2019E	2020E	CAGR	CAGR
Revenue								
[REDACTED]								
Total Revenue								
% Growth								
EBITDA (Before SBC)								
[REDACTED]								
Total EBITDA (Before SBC)								
% Growth								
% Margin								

Draft Working Materials – Subject To Change

Selected Publicly Traded Companies

Company	Closing Price 6/17/2016	% of 52-Week High	Equity Value ¹ (\$mm)	Enterprise Value (\$mm)	EV /		'16E-'18E CAGR	
					EBITDA ² 2016E	2017E	Revenue	EBITDA
Walt Disney	\$99.00	81.1%	163,088	184,213	10.2x	9.8x	5.2%	4.9%
Time Warner Inc.	\$72.37	79.2%	58,307	77,928	9.2x	8.6x	5.5%	7.1%
Fox	\$28.80	83.0%	54,958	59,772	8.3x	7.6x	5.6%	8.5%
Viacom	\$44.42	64.9%	17,967	29,408	7.7x	7.4x	2.6%	2.3%
Discovery Communications	\$25.59	73.2%	15,921	22,872	9.3x	8.8x	5.9%	5.4%
Scripps Networks	\$63.97	93.5%	8,296	12,732	8.9x	8.5x	4.3%	3.5%
AMC Networks	\$59.50	68.2%	4,429	6,979	7.7x	7.3x	5.1%	4.1%
Saturn	\$26.36	56.7%	2,726	3,827	7.8x	7.1x	4.8%	11.8%
Mean					8.6x	8.1x	4.9%	6.0%
Median					8.6x	8.1x	5.1%	5.2%

Source: Public company filings, Wall Street research, Saturn and [REDACTED] projections per Saturn management

Notes:

1) Based on fully diluted shares outstanding using treasury stock method; if applicable, convertible debt treated on an as-if converted basis, with appropriate dilutive impact to shares outstanding for in the money converts

2) EBITDA multiples shown pre-SBC



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Discounted Cash Flow Analysis

(\$mm)	Fiscal Year Ended December 31,				
	2016E	2017E	2018E	2019E	2020E
EBITDA (Before SBC)	[REDACTED]				
Less: Stock Based Compensation					
Less: Depreciation & Amortization					
EBIT					
Less: Taxes @ 35%					
After-Tax EBIT					
Plus: D&A					
Less: Capex					
Less: (Increase) / Decrease in Working Capital					
Unlevered Free Cash Flows					
Present Value of Cash Flows	[REDACTED]				
Present Value of Terminal Value					
Present Value of Enterprise					
Less: Net Debt & Other					
Present Value of Equity					
Shares					
Price Per Share					

DCF Equity Value Per Share					
WACC	LTM Terminal EBITDA Multiple				
	8.00x	8.25x	8.50x	8.75x	9.00x
8.25%	\$56.60	\$58.29	\$59.98	\$61.67	\$63.36
8.50%	55.92	57.59	59.26	60.93	62.60
8.75%	55.24	56.89	58.55	60.20	61.85
9.00%	54.57	56.21	57.84	59.48	61.11
9.25%	53.91	55.53	57.15	58.77	60.38



Source: Projected financial information per Wall Street research

Notes:

1) Assumes mid-year convention, discounted back to 3/31/16; based on balance sheet as of 3/31/16 (net debt of \$7,912mm) and equity in affiliates of \$354mm

Section 4B

Transaction Overview



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Illustrative █████ Transaction Summary

	Fixed Exchange Ratio	Fixed Price
Offer Exchange Ratio	0.6000x	0.6142x
█████ Current Price	█████	█████
Implied Offer Price per Share	\$32.24	\$33.00
<i>Implied Premium to Series A Price</i>	22.3%	25.2%
<i>Implied Saturn Ownership</i>	12.0%	12.3%

PF Sources and Uses – Fixed Exchange Ratio @ 0.600x

Sources of Funds			Uses of Funds		
	(\$mm)	(%)		(\$mm)	(%)
Equity Issuance	3,408	74.7%	Purchase of Saturn Equity for \$32.24 / Share	3,408	74.7%
Rollover Net Debt	1,120	24.5%	Rollover Net Debt	1,120	24.5%
Balance Sheet Cash	35	0.8%	Fees & Expenses	35	0.8%
Total Sources	4,563	100.0%	Total Uses	4,563	100.0%

PF Sources and Uses – Fixed Price @ \$33.00

Sources of Funds			Uses of Funds		
	(\$mm)	(%)		(\$mm)	(%)
Equity Issuance	3,493	75.2%	Purchase of Saturn Equity for \$33.00 / Share	3,493	75.2%
Rollover Net Debt	1,120	24.1%	Rollover Net Debt	1,120	24.1%
Balance Sheet Cash	35	0.8%	Fees & Expenses	35	0.8%
Total Sources	4,648	100.0%	Total Uses	4,648	100.0%



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Saturn / ██████████ Synergy DCF Analysis¹

(\$mm)	Fiscal Year Ended December 31,			
	2017E	2018E	2019E	2020E
Synergies	25	75	100	150
<i>% Growth</i>	<i>nm</i>	<i>200.0%</i>	<i>33.3%</i>	<i>50.0%</i>
Less: Integration Costs	(13)	(38)	0	0
EBIT (post-integration costs)	13	38	100	150
Less: Taxes @ 35.0%	(4)	(13)	(35)	(53)
After-Tax EBIT	8	24	65	98
Total FCF from Synergies	8	24	65	98
<i>% Growth</i>	<i>nm</i>	<i>200.0%</i>	<i>166.7%</i>	<i>50.0%</i>
Discounted Free Cash Flows	7	20	49	68
NPV of Terminal Value				751
Total Synergy DCF Value²				895

Saturn Value Per Share of DCF Synergies					
WACC	Annual Cost Synergies				
	100	125	150	175	200
8.50%	\$0.73	\$0.92	\$1.10	\$1.28	\$1.47
8.75%	0.71	0.89	1.06	1.24	1.42
9.00%	0.69	0.86	1.03	1.20	1.37
9.25%	0.66	0.83	1.00	1.16	1.33
9.50%	0.64	0.80	0.96	1.12	1.29

Sensitivity of DCF Synergy Value					
WACC	Annual Cost Synergies				
	100	125	150	175	200
8.50%	638	798	957	1,117	1,277
8.75%	617	771	925	1,080	1,234
9.00%	597	746	895	1,044	1,194
9.25%	578	722	867	1,011	1,156
9.50%	560	700	840	980	1,120



Notes:
 1) Assumes mid-year convention, discounted to 3/31/16
 2) Assumes 9.00% WACC and 0.0% PGR

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Pro Forma Discounted Cash Flow Accretion/(Dilution) Analysis – Series A Offer

Analysis based on fixed exchange ratio deal and Saturn Management Case

Saturn Status Quo DCF Equity Value / Share						Saturn Share of Pro Forma DCF Equity Value / Share					
WACC	2020E LTM Terminal EBITDA Multiple					WACC	2020E LTM Terminal EBITDA Multiple				
	7.00x	7.25x	7.50x	7.75x	8.00x		Low	Mid	High		
8.75%	\$30.91	\$31.91	\$32.90	\$33.89	\$34.87	Low	\$36.08	\$36.39	\$36.70	\$37.01	\$37.32
9.00%	30.55	31.54	32.52	33.50	34.47		35.63	35.93	36.23	36.53	36.83
9.25%	30.20	31.17	32.14	33.12	34.08	Mid	35.18	35.47	35.76	36.06	36.35
9.50%	29.84	30.81	31.77	32.73	33.69		34.73	35.02	35.30	35.59	35.88
9.75%	29.50	30.45	31.40	32.35	33.31	High	34.29	34.57	34.85	35.13	35.41

DCF Enterprise Value	34,608
Saturn DCF Enterprise Value	4,467
Synergy DCF Value	895
Combined Pro Forma Enterprise Value	39,970
Less: Pro Forma Net Debt @ 3/31/2016	(9,067)
Less: Other ¹ @ 3/31/2016	374
Combined Pro Forma Equity Value	31,277
Pro Forma Shares Outstanding	524.7
Implied Pro Forma DCF Equity Value per Share	\$59.60
Saturn Series A Exchange Ratio	0.6000x
Implied Saturn Share of PF DCF Equity Valuer per Share	\$35.76
Standalone Saturn DCF Equity Value per Share	\$32.14
Accretion / (Dilution)	11.3%

Accretion to Standalone DCF						
WACC	Low	Mid	High			
Low	16.7%	14.1%	11.5%	9.2%	7.0%	
	16.6%	13.9%	11.4%	9.0%	6.8%	
Mid	16.5%	13.8%	11.3%	8.9%	6.7%	
	16.4%	13.7%	11.1%	8.7%	6.5%	
High	16.3%	13.5%	11.0%	8.6%	6.3%	



Source: Projected financial information per Saturn management and Wall Street research

Note:

1) Other includes the market value of [redacted] equity in affiliates and the book value of Saturn's investment in PlayCo

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Pro Forma Discounted Cash Flow Accretion/(Dilution) Analysis – Series A Offer

Analysis based on fixed exchange ratio deal and Saturn Sensitivity Case

Saturn Status Quo DCF Equity Value / Share						Saturn Share of Pro Forma DCF Equity Value / Share					
WACC	2020E LTM Terminal EBITDA Multiple					WACC	2020E LTM Terminal EBITDA Multiple				
	7.00x	7.25x	7.50x	7.75x	8.00x		Low	Mid	High		
8.75%	\$28.40	\$29.33	\$30.27	\$31.20	\$32.14	Low	\$35.77	\$36.07	\$36.37	\$36.67	\$36.97
9.00%	28.06	28.99	29.91	30.84	31.76		35.31	35.61	35.90	36.19	36.48
9.25%	27.73	28.64	29.56	30.47	31.39	Mid	34.86	35.15	35.44	35.72	36.01
9.50%	27.40	28.30	29.21	30.11	31.02		34.42	34.70	34.98	35.26	35.54
9.75%	27.07	27.97	28.86	29.76	30.65	High	33.99	34.26	34.53	34.81	35.08

DCF Enterprise Value	34,608
Saturn DCF Enterprise Value	4,182
Synergy DCF Value	895
Combined Pro Forma Enterprise Value	39,684
Less: Pro Forma Net Debt @ 3/31/2016	(9,067)
Less: Other ¹ @ 3/31/2016	374
Combined Pro Forma Equity Value	30,991
Pro Forma Shares Outstanding	524.7
Implied Pro Forma DCF Equity Value per Share	\$59.06
Saturn Series A Exchange Ratio	0.6000x
Implied Saturn Share of PF DCF Equity Valuer per Share	\$35.44
Standalone Saturn DCF Equity Value per Share	\$29.56
Accretion / (Dilution)	19.9%

Accretion to Standalone DCF					
WACC	Low	Mid	High		
Low	25.9%	23.0%	20.2%	17.5%	15.0%
	25.8%	22.8%	20.0%	17.4%	14.9%
Mid	25.7%	22.7%	19.9%	17.2%	14.7%
	25.6%	22.6%	19.8%	17.1%	14.6%
High	25.6%	22.5%	19.6%	17.0%	14.4%



Source: Projected financial information per Saturn management and Wall Street research

Note:

1) Other includes the market value of equity in affiliates and the book value of Saturn's investment in PlayCo

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Appendix

Additional Reference Materials



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Side-by-Side Trading Analysis

	Saturn ³		Luna ⁴		
<i>(\$mm, unless indicated)</i>					
Class A Price (\$)¹	\$26.36				
Fully Diluted Class A Shares	93.7				
Class B Price (\$)¹	\$26.07				
Fully Diluted Class B Shares	9.9				
Blended Price (\$)	\$26.33		\$21.34		
Fully Diluted Shares	103.5		153.0		
Equity Value	2,726		3,264		
Plus: Net Debt & Other ¹	1,101		86		
Enterprise Value	3,827		3,350		
Less: Value of Tax Attributes ²	-		(576)		
Adj. Enterprise Value	3,827		2,774		
	Metric		Metric	Gross	Adjusted
	(\$mm)	Mult	(\$mm)	Mult	Mult
EV/					
CY 2016E EBITDA - Management Case ⁵	490	7.8x	172	19.5x	16.2x
CY 2017E EBITDA - Management Case ⁵	543	7.1x	213	15.7x	13.0x
CY 2016E EBITDA - Research Case ⁵					9.0x
CY 2017E EBITDA - Research Case ⁵					8.7x
Leverage					
Net Debt / 2016E EBITDA ⁶		2.3x		3.4x	2.2x
CY '16E - '18E CAGRs					
Revenue		4.8%			12.4%
EBITDA		11.8%			27.9%
Analyst Price Targets					
High		\$33.00			\$40.00
Average		\$31.04			\$28.75
Premium to Current Price		15.1%			25.8%
Low		\$22.57			\$22.00

Source: Projections per Saturn management and Wall Street research, public company filings

Note: prices as of June 17, 2016

1) For Luna, equity in affiliates assumes Epix valued at 9.0x FY 2016A operating income of \$168mm, implying a \$471mm value for Luna's 31% stake; assumes TVGN, ATOM Tickets, and Tribeca Short List valued @ book value; Defy Media / Celestial Tiger stakes valued at \$65mm; Saturn stake based on market prices

2) Includes net present value of difference between Luna actual tax rate given Canadian incorporation vs. peer normalized tax rate, incorporating value of existing NOLs

3) JCM has 0.1mm shares of Series A Saturn stock and 6.2mm shares of Series B Saturn stock for a total voting stake of 33.1%, economic stake of 6.1% and a value of \$165mm @ market; JCM has 4.4mm shares of Luna common stock for a total voting stake of 2.9%, economic stake of 2.9% and a value of \$94mm @ market

4) Luna has 2.1mm shares of Series A Saturn stock and 2.6mm shares of Series B Saturn stock for a total voting stake of 15.0%, economic stake of 4.5% and a value of \$123mm @ market³⁹

5) EBITDA shown pre stock based compensation

6) For Luna leverage purposes, EBITDA includes equity income from affiliates

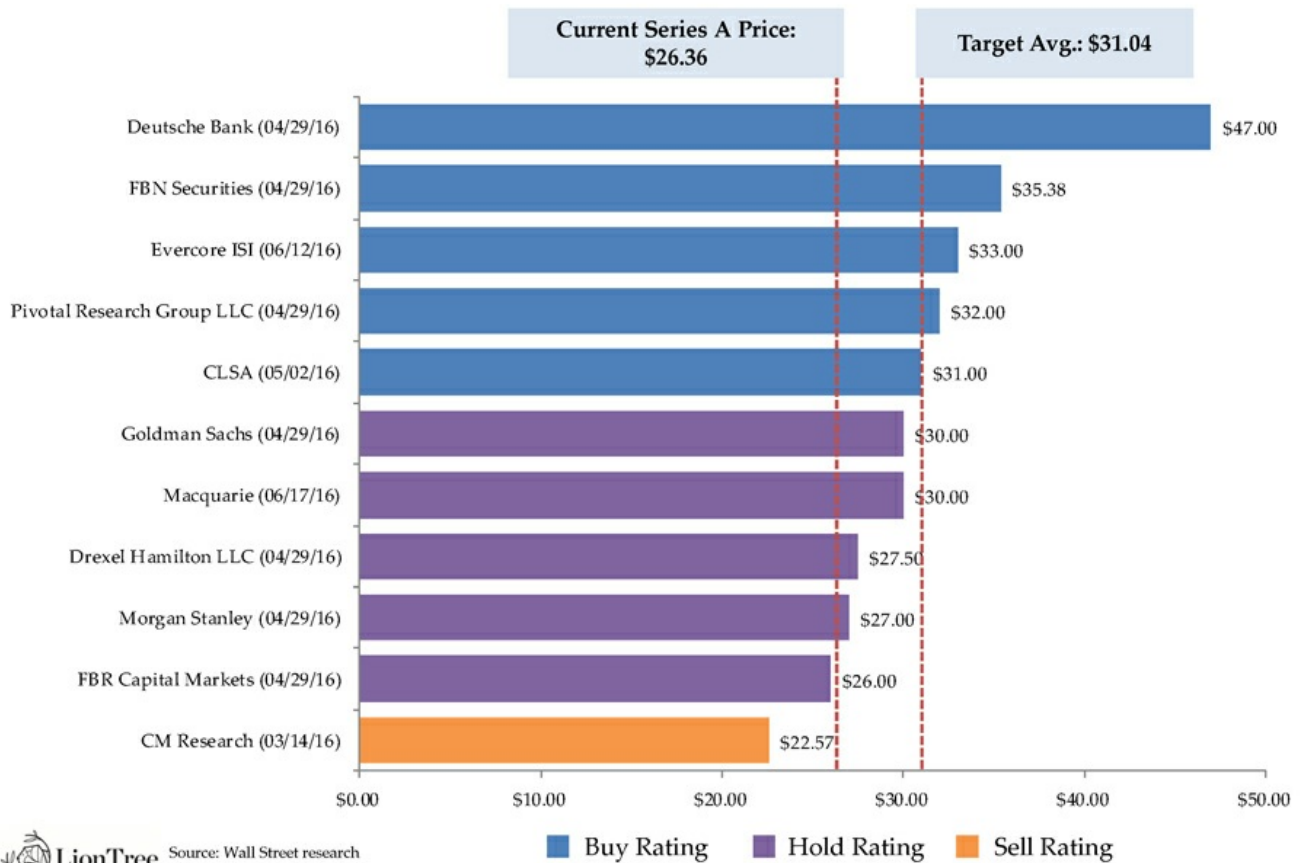


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Saturn Current Analyst Price Targets

Saturn currently trades at a 15.1% discount to the average analyst price target



Source: Wall Street research
Note: Stock price as of June 17th

Luna Research Analyst Price Targets

Luna currently trades at a 25.8% discount to the average analyst price target

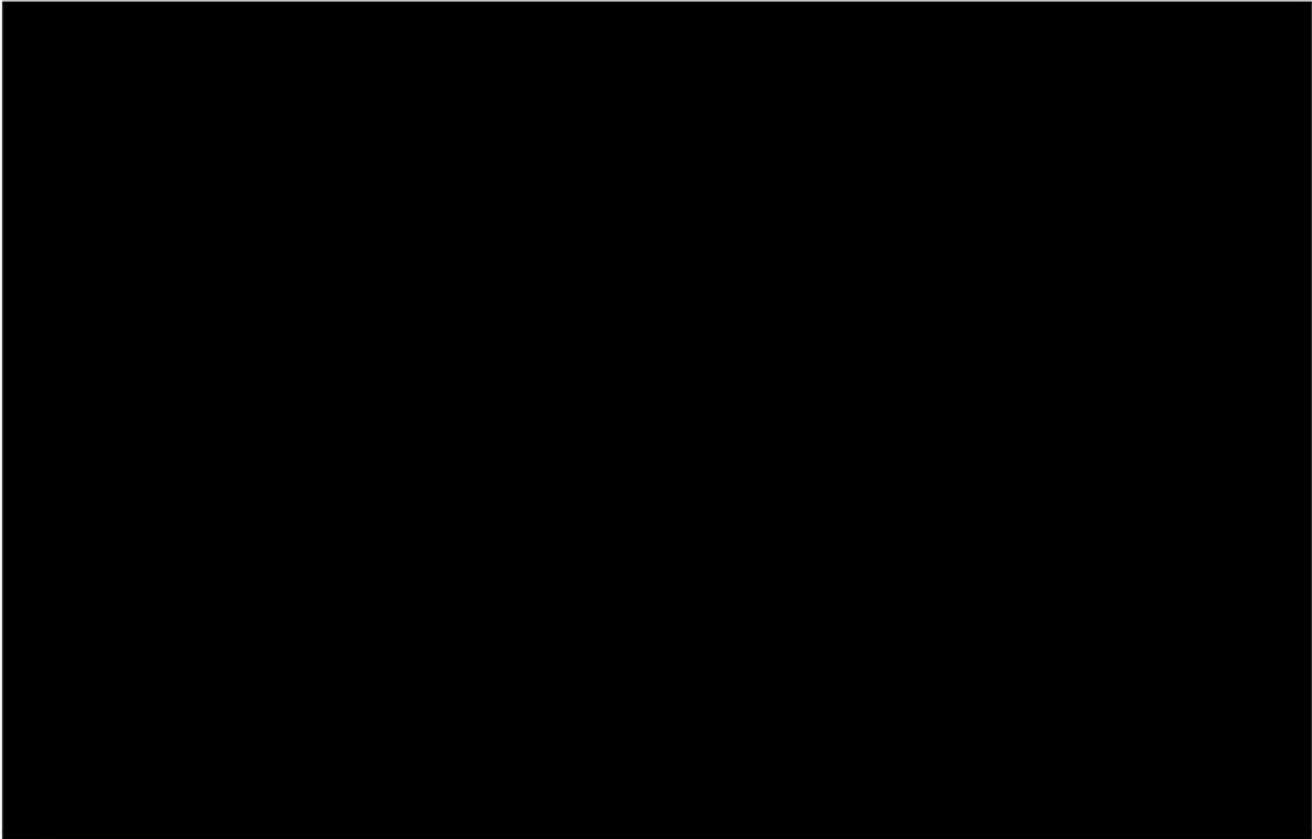


Source: Wall Street research
Note: Stock price as of June 17th

■ Buy Rating ■ Hold Rating ■ Sell Rating

Research Price Targets

currently trades at a discount to the average analyst price target



LionTree

Source: Wall Street research
Note: Stock price as of June 17th

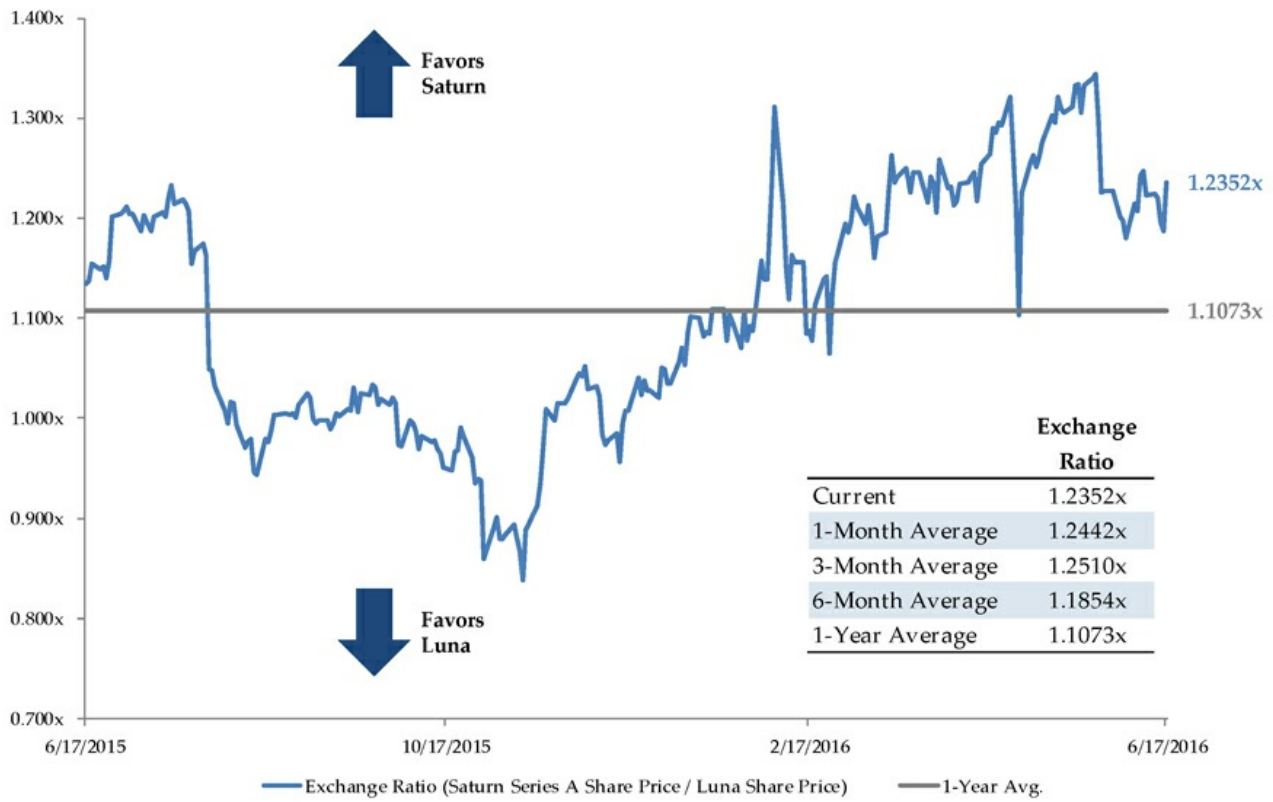
Buy Rating

Hold Rating

Sell Rating

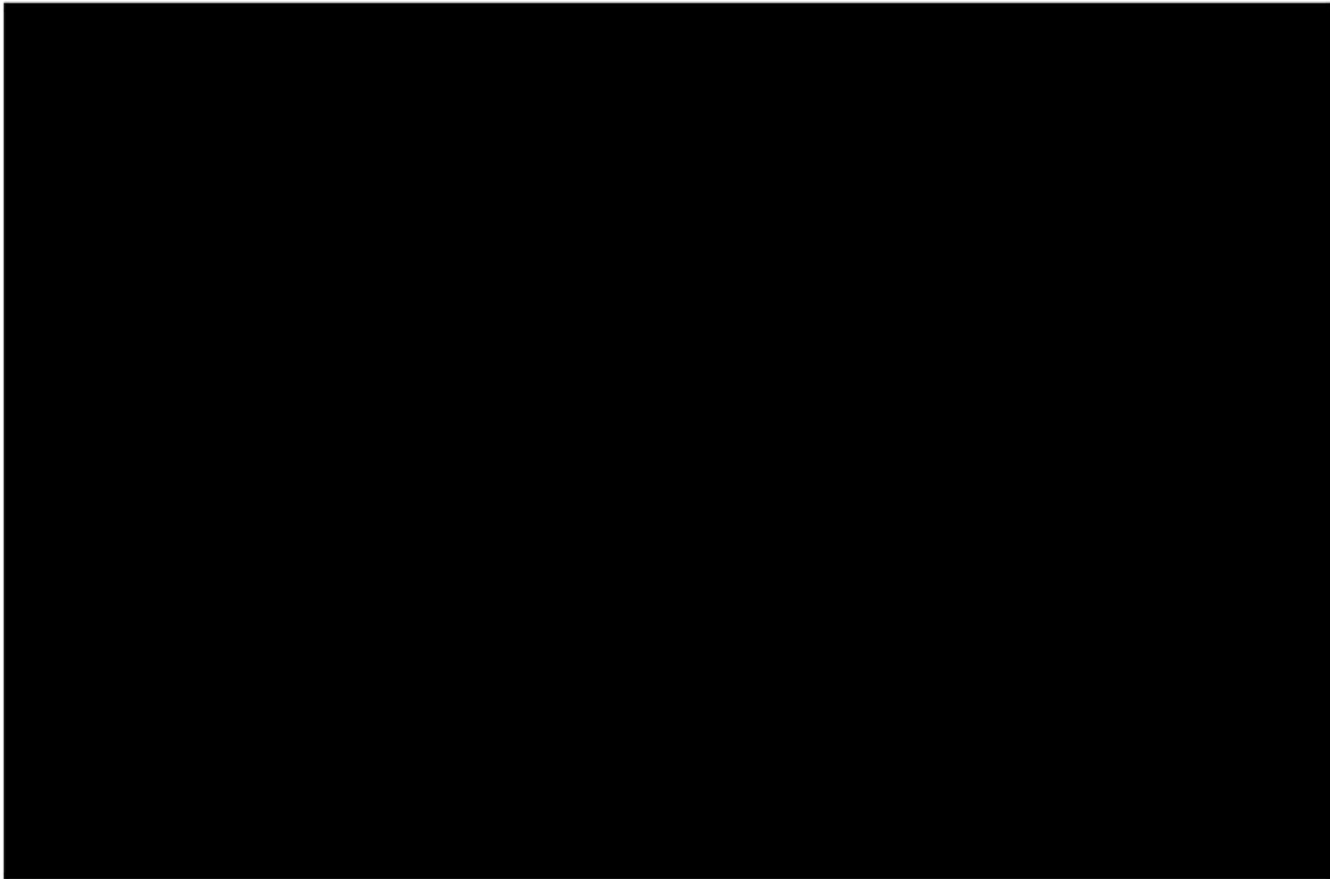
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Saturn / Luna Historical Exchange Ratio



Source: FactSet
Note: Assumes 100% stock transaction

Saturn / [REDACTED] Historical Exchange Ratio



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Luna Detailed Financial Projections (Fiscal Year)

(\$mm)	Fiscal Year Ended March 31,				CAGR		CAGR	
	2016A	2017E	2018E	2019E	2020E	2021E	'17E-'19E	17E-'21E
Motion Pictures	1,678	1,874	1,913	2,404				
<i>% Growth</i>	(7.8%)	11.7%	2.1%	25.7%				
Television Productions	670	979	1,094	1,188				
<i>% Growth</i>	15.6%	46.1%	11.8%	8.6%				
Revenue	2,347	2,853	3,007	3,592	3,435	3,457	12.2%	4.9%
<i>% Growth</i>	(2.2%)	21.5%	5.4%	19.5%	(4.4%)	0.6%		
Direct Operating Expenses								
Motion Pictures	(874)	(911)	(884)	(1,103)				
<i>% of Segment Revenue</i>	52.1%	48.6%	46.2%	45.9%				
Television	(532)	(837)	(929)	(990)				
<i>% of Segment Revenue</i>	79.4%	85.6%	84.9%	83.3%				
Direct Operating Expenses	(1,407)	(1,749)	(1,813)	(2,093)			9.4%	
<i>% of Revenue</i>	59.9%	61.3%	60.3%	58.3%				
Distribution and Marketing								
Motion Pictures	(619)	(680)	(697)	(825)				
<i>% of Segment Revenue</i>	36.9%	36.3%	36.5%	34.3%				
Television	(39)	(30)	(35)	(35)				
<i>% of Segment Revenue</i>	5.9%	3.0%	3.2%	2.9%				
Distribution and Marketing	(658)	(710)	(733)	(860)			10.1%	
<i>% of Revenue</i>	28.0%	24.9%	24.4%	23.9%				
Gross Contribution								
Motion Pictures	184	267	279	361				
<i>% Margin</i>	11.0%	14.2%	14.6%	15.0%				
Television	104	116	135	170				
<i>% Margin</i>	15.5%	11.8%	12.3%	14.3%				
Total Gross Contribution	288	383	414	531			17.7%	
<i>% Margin</i>	12.3%	13.4%	13.8%	14.8%				
General and Administrative	(256)	(277)	(279)	(279)			0.4%	
Plus: SBC	79	86	85	49				
Other Add Backs	51	59	43	47				
EBITDA (incl. equity gains)	162	251	264	348	364	363	17.8%	9.7%
<i>% Growth</i>	(57.8%)	54.5%	5.1%	32.1%	4.4%	(0.1%)		
<i>% Margin</i>	6.9%	8.8%	8.8%	9.7%	10.6%	10.5%		
EBITDA (excl. equity gains)	111	192	220	301			25.2%	
<i>% Growth</i>	(66.6%)	73.0%	14.7%	36.7%				
<i>% Margin</i>	4.7%	6.7%	7.3%	8.4%				

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Work in Progress

As of 6/15/2016

Project Galaxy

Presentation on Potential Saturn Transactions

June 15, 2016

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Summary of Current Proposals

Represents Series A Shares

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	[REDACTED]	Luna	[REDACTED]																														
Consideration	<ul style="list-style-type: none"> \$33.00 fixed value, OR 0.60x fixed exchange ratio <ul style="list-style-type: none"> Non-voting shares 100% Stock 	<ul style="list-style-type: none"> \$20.00 Cash + 0.566 Luna Shares <ul style="list-style-type: none"> Non-voting shares (to be created) ~62% Cash / 38% Stock 	<ul style="list-style-type: none"> Dr. M sells 50% of B shares to [REDACTED] <ul style="list-style-type: none"> RB sells 100% of B shares to [REDACTED] Dr. M exchanges remaining 50% of B shares to A shares @ 10% premium Saturn issues primary A shares to get [REDACTED] to 51% voting Total cash investment of \$700mm 																														
Value (as of 6/13/16)	<ul style="list-style-type: none"> Fixed Value: \$33.00, OR Fixed exchange ratio : <ul style="list-style-type: none"> \$31.27 @ Market \$32.16 @ 30-day VWAP \$32.82 @ 60-day VWAP \$32.74 @ 90-day VWAP 	<table border="1"> <thead> <tr> <th></th> <th colspan="4">Assuming Luna Voting Share Premium of:</th> </tr> <tr> <th></th> <th>0.0%</th> <th>2.5%</th> <th>5.0%</th> <th>10.0%</th> </tr> </thead> <tbody> <tr> <td>@ Market</td> <td>\$32.03</td> <td>\$31.88</td> <td>\$31.74</td> <td>\$31.46</td> </tr> <tr> <td>@ 30-Day VWAP</td> <td>\$32.06</td> <td>\$31.91</td> <td>\$31.77</td> <td>\$31.49</td> </tr> <tr> <td>@ 60-Day VWAP</td> <td>\$31.97</td> <td>\$31.82</td> <td>\$31.68</td> <td>\$31.40</td> </tr> <tr> <td>@ 90-Day VWAP</td> <td>\$31.96</td> <td>\$31.81</td> <td>\$31.67</td> <td>\$31.40</td> </tr> </tbody> </table>		Assuming Luna Voting Share Premium of:					0.0%	2.5%	5.0%	10.0%	@ Market	\$32.03	\$31.88	\$31.74	\$31.46	@ 30-Day VWAP	\$32.06	\$31.91	\$31.77	\$31.49	@ 60-Day VWAP	\$31.97	\$31.82	\$31.68	\$31.40	@ 90-Day VWAP	\$31.96	\$31.81	\$31.67	\$31.40	<ul style="list-style-type: none"> \$28.62 Series A (10% premium) \$33.38 Series B (20% premium)
	Assuming Luna Voting Share Premium of:																																
	0.0%	2.5%	5.0%	10.0%																													
@ Market	\$32.03	\$31.88	\$31.74	\$31.46																													
@ 30-Day VWAP	\$32.06	\$31.91	\$31.77	\$31.49																													
@ 60-Day VWAP	\$31.97	\$31.82	\$31.68	\$31.40																													
@ 90-Day VWAP	\$31.96	\$31.81	\$31.67	\$31.40																													
Series B Premium	10%	10% (stock portion converted to Luna voting stock)	10% on exchange 17% on share sale relative value																														
Tax Treatment to Shareholders	Tax-free	Taxable	Taxable on sold secondary shares Tax-free to the company																														
Financing Certainty	No financing required	Requires debt & equity commitment papers for \$2bn cash consideration	[REDACTED]																														
Due Diligence Outstanding	Review of un-redacted agreements and [REDACTED] information	Financial due diligence in process, entered VDR on Thursday	Has not started																														
Affiliate Agreements	[REDACTED]	[REDACTED]	[REDACTED]																														

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- I. Saturn – Stock Price & Shareholder Summary
 - II. Saturn – Financial Projections
 - III. Saturn – Preliminary Standalone Valuation

 - IV. ██████ – Company Overview
 - V. ██████ – Preliminary Standalone Valuation
 - VI. ██████ – Preliminary Combination Analysis

 - VII. Luna – Company Overview
 - VIII. Luna – Preliminary Combination Analysis

Appendix A: Preliminary Supplemental Valuation Material

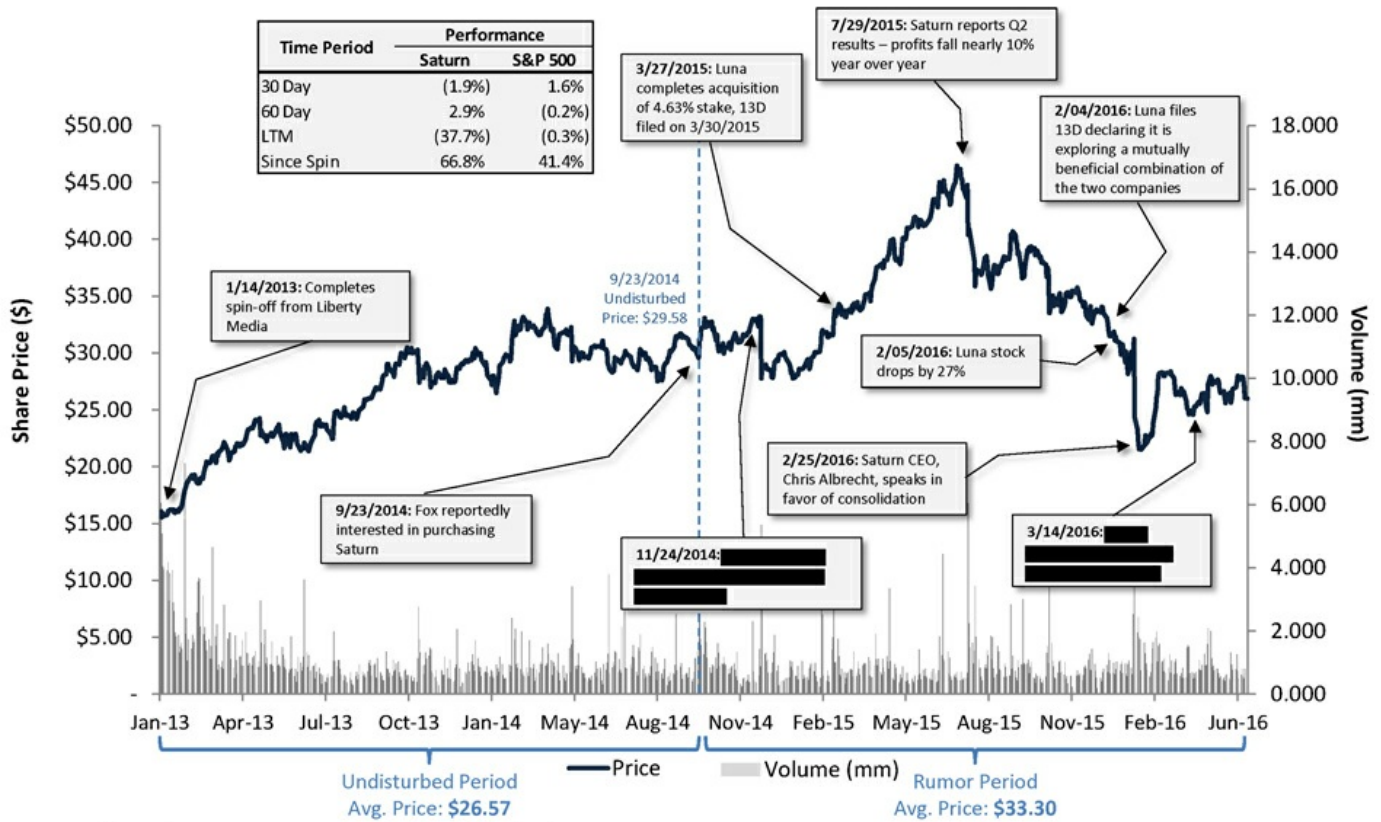
Appendix B: Differential Consideration

I. Saturn – Stock Price & Shareholder Summary

Annotated Stock Price Performance

Series A Shares – Since Saturn Spin-off

(\$ per share)



Source: Capital IQ as of June 13, 2016. Comments per publically available information.

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Saturn Stock Price Performance

Since Saturn Spin-off
(\$ per share)

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Series A and Series B Share Price Since January 14, 2013



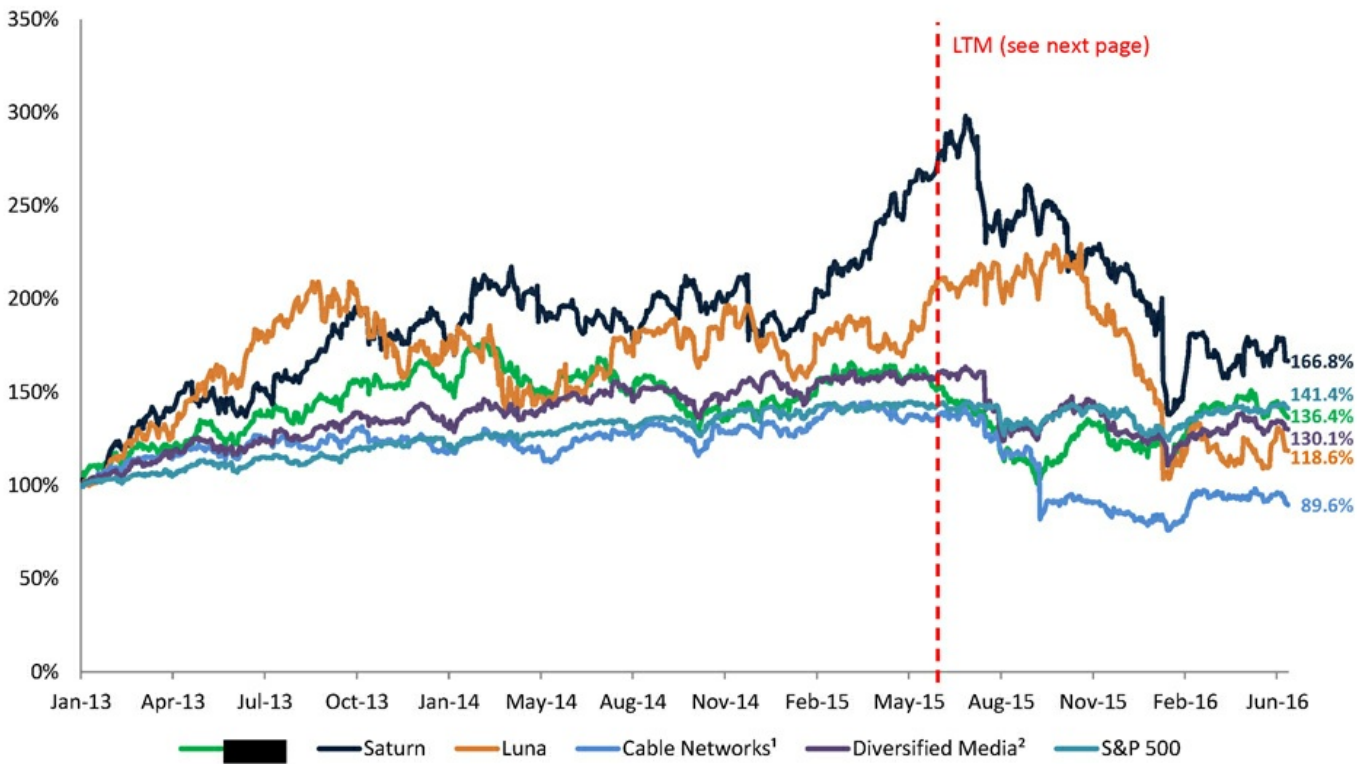
Daily Premium / Discount of Series B Share Price to Series A Share Price



Source: Capital IQ as of June 13, 2016.

Relative Stock Price Performance Since Spin

Saturn Series A, ██████ Class B, Luna vs. Industry Peers and S&P 500 Index

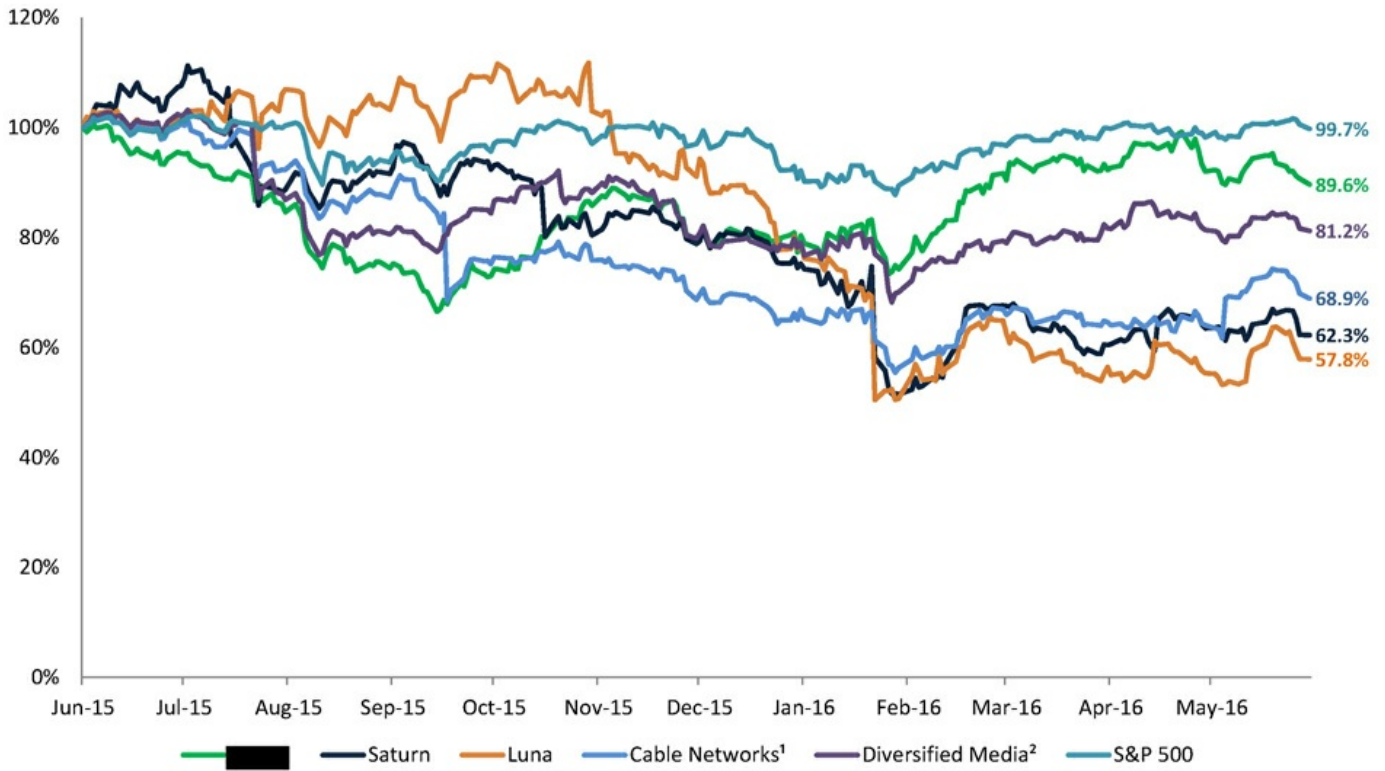


Source: Capital IQ as of June 13, 2016.
¹ AMC Networks, MSG Networks, Scripps, Discovery.
² Time Warner, Fox, Disney, Viacom.

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LTM Relative Stock Price Performance

Saturn Series A, ██████ Class B, Luna vs. Industry Peers and S&P 500 Index



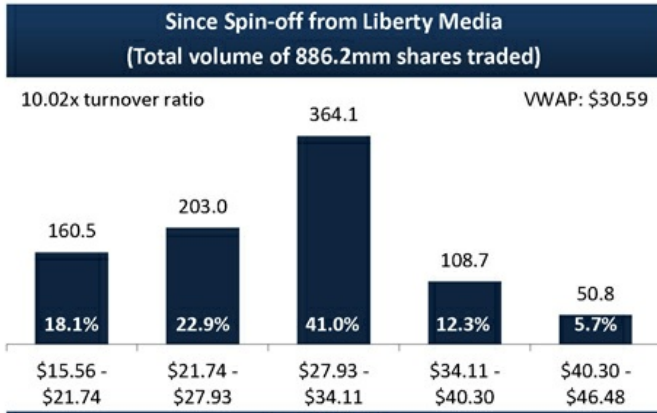
Source: Capital IQ as of June 13, 2016.
¹ AMC Networks, MSG Networks, Scripps, Discovery.
² Time Warner, Fox, Disney, Viacom.

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Recent Trading Activity by Volume

Represents Series A Shares

(\$ per share, units in millions)



Source: Capital IQ as of June 13, 2016.

Saturn Wall Street Research Views

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Analyst Targets

Date	Firm	Valuation		Rating	Target Price	% Premium to	
		Methodology	Multiple Year			Current	Publish Day
4/29/2016	Deutsche Bank	Blended ¹		Buy	\$47.00	80.7%	89.4%
4/29/2016	FBN Securities	DCF		Outperform	\$35.38	36.0%	42.5%
4/29/2016	Evercore ISI	DCF		Buy	\$33.00	26.9%	33.0%
4/29/2016	Pivotal Research Group	EBITDA Multiple	2016	Buy	\$32.00	23.0%	28.9%
5/2/2016	CLSA	P/FCF Multiple	2017	Outperform	\$31.00	19.2%	13.9%
5/1/2016	Macquarie	EBITDA Multiple	2017	Neutral	\$28.00	7.7%	2.9%
4/29/2016	Drexel Hamilton	EBITDA Multiple	N/A	Hold	\$27.50	5.7%	10.8%
4/29/2016	Morgan Stanley	P/FCF Multiple	2020	Equal-weight	\$27.00	3.8%	8.8%
4/29/2016	FBR & Co.	OIBDA Multiple	2016	Market Perform	\$26.00	(0.0%)	4.8%
4/28/2016	Pacific Crest Securities	EBITDA Multiple	NTM	Sector Weight	\$26.00	(0.0%)	4.8%
Average					\$31.29	20.3%	24.0%
Median					\$29.50	13.4%	12.4%
Current Trading Price					\$26.01		

Source: Wall Street Research and Bloomberg. Current trading price as of 6/13/2016.

¹ Blended valuation methodology of DCF and M&A.

Saturn Shareholder Summary

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- Holders of Series A and Series B shares are entitled to 1 and 10 votes per share, respectively
- Upon completion of the Q1 2015 share swap, Luna granted an irrevocable proxy to affiliates of Dr. Malone to vote 2,118,038 shares of Series A common stock and 2,590,597 shares of Series B common stock Exchange Shares in matters submitted to a vote of Saturn's shareholders, other than for proposals related to extraordinary transactions, including business combinations, or proposals related to the issuance or sale of securities
- Therefore, Dr. Malone controls 48% of the shareholder vote on an election of directors and 33% of the vote on the proposals related to extraordinary transactions or the issuance or sale of securities, while only maintaining a 6% economic ownership stake

Shareholder	Series (Shares)		Series (Economic %)		Series (Voting %)	
	A	B	A	B	A	B
Fidelity Management & Research Company	12,403,384		12.6%		6.6%	
ClearBridge Investments	6,340,512		6.4%		3.4%	
The Vanguard Group	5,812,056		5.9%		3.1%	
Horizon Kinetics	5,024,545		5.1%		2.7%	
BlackRock Institutional Trust Company	2,861,434		2.9%		1.5%	
Boston Partners	2,325,745		2.4%		1.2%	
Luna	2,118,038	2,590,597	2.2%	2.6%	1.1%	13.8%
Gregory B Maffei	1,822,456		1.9%		1.0%	
York Capital Management	1,445,947		1.5%		0.8%	
Pinnacle Associates	1,356,995		1.4%		0.7%	
TIAA Global Asset Management	1,355,329		1.4%		0.7%	
Fidelity Institutional Asset Management	1,343,618		1.4%		0.7%	
Voya Investment Management	1,308,102		1.3%		0.7%	
State Street Global Advisors (US)	1,128,138		1.1%		0.6%	
Columbia Wanger Asset Management	1,071,259		1.1%		0.6%	
Two Sigma Investments	1,052,378		1.1%		0.6%	
Ratan Capital Management	985,860		1.0%		0.5%	
Norges Bank Investment Management	891,883		0.9%		0.5%	
John Malone	136,537	6,186,729	0.1%	6.3%	0.1%	33.1%
Other	37,790,196	1,080,990	38.4%	1.1%	20.2%	5.8%
Total	88,574,412	9,858,316	90.0%	10.0%	47.3%	52.7%

Source: Company filings, Thomson One, as of 6/10/2016.

Note: Share ownership percentages reflect percent of common shares outstanding (excluding dilutive securities).

Saturn Crossover Analysis

Top 25 Economic Saturn Shareholders

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Shareholder	Saturn (Economic %)	[REDACTED] (Economic %)	Luna (Economic %)
Fidelity Management & Research Company	12.60%		5.75%
ClearBridge Investments	6.44%		1.52%
John Malone	6.42%		3.37%
The Vanguard Group	5.90%		5.03%
Horizon Kinetics	5.10%		
Luna	4.78%		Company
BlackRock Institutional Trust Company	2.91%		2.14%
Boston Partners	2.36%		
Pinnacle Associates	1.38%		
Fidelity Institutional Asset Management	1.37%		0.01%
Voya Investment Management	1.33%		0.08%
State Street Global Advisors (US)	1.15%		0.75%
Two Sigma Investments	1.07%		
Ratan Capital Management	1.00%		
Norges Bank Investment Management	0.91%		0.53%
Dimensional Fund Advisors	0.76%		0.30%
Sarbit Advisory Services	0.72%		0.65%
Gabelli Funds	0.69%		0.02%
Naya Management	0.55%		3.70%
Neuberger Berman	0.54%		1.57%
UBS Securities	0.14%		0.19%
Morgan Stanley Wealth Management	0.07%		0.00%
The Boston Company Asset Management	0.04%		
JP Morgan Asset Management	0.03%		
Columbia Threadneedle Investments (US)	0.01%		0.14%

 Represents Saturn Shareholder / Luna Shareholder Crossover

Source: Company filings, Thomson One, as of 6/10/2016.

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II. Saturn – Financial Projections

Saturn Financial Summary

Saturn Management Case

(\$ in millions)

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	Actuals			Management			Commentary
	2013A	2014A	2015A	2016E	2017E	2018E	
Revenue							
1 Networks	\$1,298	\$1,312	\$1,324	\$1,389	\$1,484	\$1,561	1 ██████████
2 Distribution	450	322	354	315	311	311	2 ██████████
3 Animation	32	32	25	0	0	0	3 ██████████
Eliminations	(2)	(1)	(3)	(4)	(7)	(5)	██████████
Total Revenue	\$1,778	\$1,664	\$1,700	\$1,700	\$1,789	\$1,868	2 ██████████
YoY Growth (%)	9.0%	(6.4%)	2.2%	0.0%	5.2%	4.4%	██████████ and reflects steady state revenue and Adjusted OIBDA; Saturn Originals revenue and adjusted OIBDA based on ultimates
Expenses							
4 Programming	632	598	653	633	665	662	
Operating	394	293	300	264	270	266	
Advertising & Marketing	149	144	157	169	177	191	
5 General & Administrative	125	127	129	144	134	137	
Total Expenses	\$1,301	\$1,162	\$1,239	\$1,210	\$1,246	\$1,255	3 Reduction due to impact of Film Roman sale in 2015
YoY Growth (%)	(20.2%)	(10.6%)	6.6%	(2.3%)	3.0%	0.7%	
Pre-SBC OIBDA	\$477	\$502	\$462	\$490	\$543	\$612	4 Programming costs driven by increase in original content production and reduction of costs associated with Disney output deal
% Margin	26.8%	30.1%	27.1%	28.8%	30.3%	32.8%	
YoY Growth (%)	7.2%	5.2%	(8.0%)	6.2%	10.7%	12.9%	
Stock Based Compensation	34	31	33	31	31	30	
Post-SBC OIBDA	\$443	\$471	\$429	\$460	\$511	\$582	5 Excludes stock based compensation
% Margin	24.9%	28.3%	25.2%	27.0%	28.6%	31.2%	
Free Cash Flow							
Net Income	250	269	236	247	287	341	
Net Program Amort. / (Payments)	181	167	199	198	338	288	
Net Film/TV Amort. / (Investments)	(90)	(260)	(194)	(272)	(284)	(288)	
D&A & Other	66	80	53	65	59	50	
Δ Working Capital	(94)	(49)	(44)	3	(47)	(47)	
Capital Expenditure	(15)	(11)	(17)	(24)	(19)	(13)	
6 Free Cash Flow	\$298	\$195	\$233	\$218	\$335	\$332	6 Excludes investment and cash received from equity investee

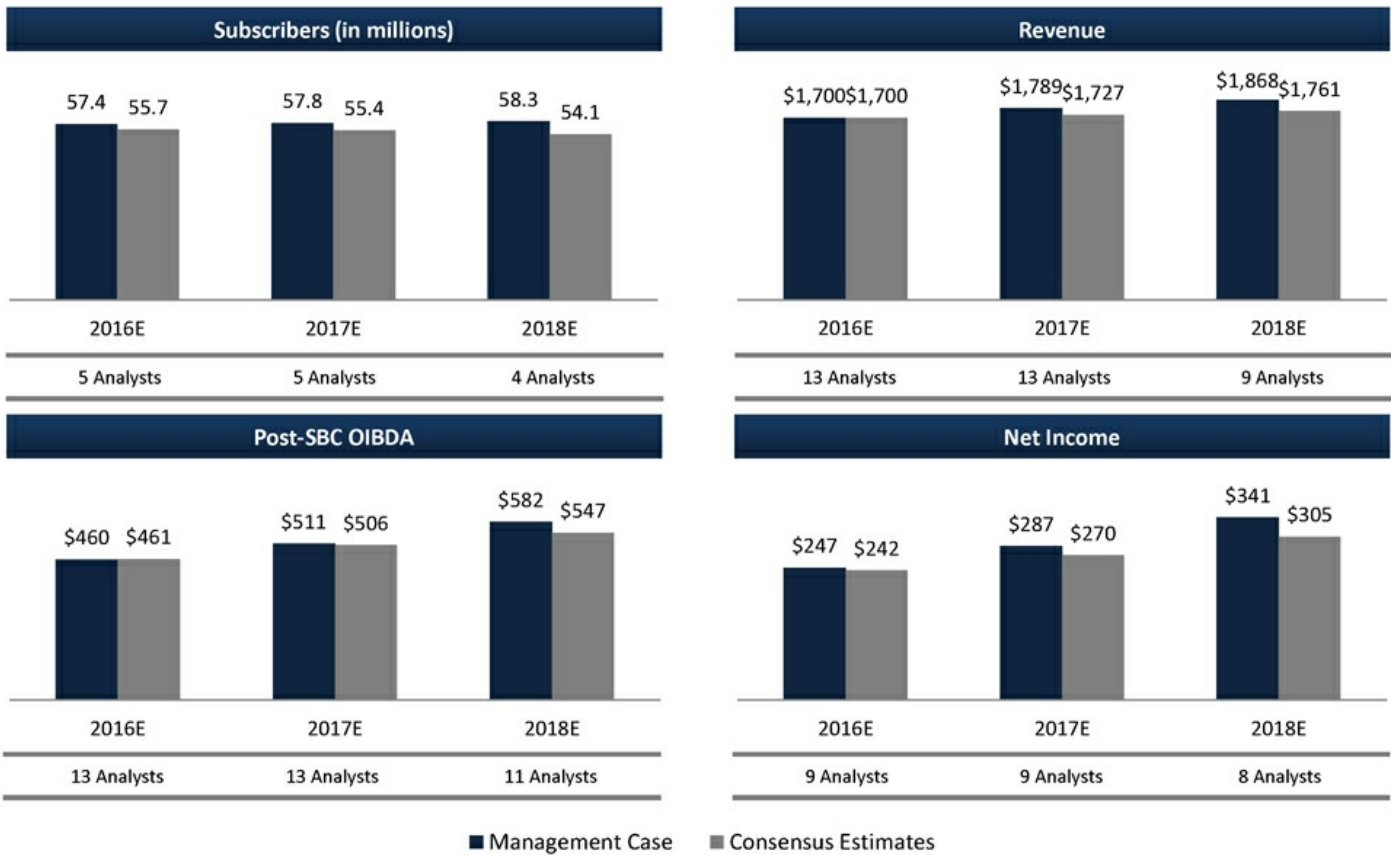
Source: Company management.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Saturn Financial Projections Comparison

Saturn Management Case vs. Consensus Estimates

(\$ in millions, except subscribers)



Source: Company Management, Wall Street Research, Capital IQ.

III. Saturn – Preliminary Standalone Valuation

Saturn Analysis at Various Prices

Saturn Management Case Projections | Assumes 10% Premium to Series B (High Vote) Shares

(\$ in millions, except per share values) | Calendar Years Ended 12/31

Series A (Low Vote) Share Price		\$26.01	\$28.61	\$29.91	\$31.21	\$32.51	\$33.81
Premium to:	Metric						
Share Price (6/13/2016)	\$26.01	-	10.0%	15.0%	20.0%	25.0%	30.0%
Undisturbed Price (9/23/2014)	29.58	(12.1%)	(3.3%)	1.1%	5.5%	9.9%	14.3%
Undisturbed Period Avg. (1/14/13 - 9/23/14)	26.57	(2.1%)	7.7%	12.6%	17.5%	22.4%	27.3%
LTM High	46.48	(44.0%)	(38.4%)	(35.6%)	(32.8%)	(30.1%)	(27.3%)
LTM Low	21.51	20.9%	33.0%	39.1%	45.1%	51.2%	57.2%
LTM Average	33.27	(21.8%)	(14.0%)	(10.1%)	(6.2%)	(2.3%)	1.6%

Implied Equity Value	\$2,688	\$3,002	\$3,146	\$3,291	\$3,435	\$3,581
Plus: Total Debt	1,120	1,120	1,120	1,120	1,120	1,120
Less: Cash	(10)	(10)	(10)	(10)	(10)	(10)
Less: Unconsolidated Assets ¹	(25)	(25)	(25)	(25)	(25)	(25)
Total Enterprise Value	\$3,772	\$4,086	\$4,231	\$4,376	\$4,520	\$4,666

Management

	Post-SBC OIBDA	TEV / OIBDA Multiple					
LTM	\$400	9.4x	10.2x	10.6x	10.9x	11.3x	11.7x
2016E	460	8.2	8.9	9.2	9.5	9.8	10.1
2017E	511	7.4	8.0	8.3	8.6	8.8	9.1

	Net Income	P/E Multiple					
LTM	217	17.4x	18.8x	19.5x	20.1x	20.8x	21.5x
2016E	247	15.3	16.5	17.1	17.7	18.3	18.9
2017E	287	13.1	14.2	14.7	15.2	15.7	16.2

Note: Stock prices per CapitalIQ as of 6/13/2016.

¹ Unconsolidated Assets includes initial PlayCo investment of \$19.1 million followed by advances totaling \$6.3 million.

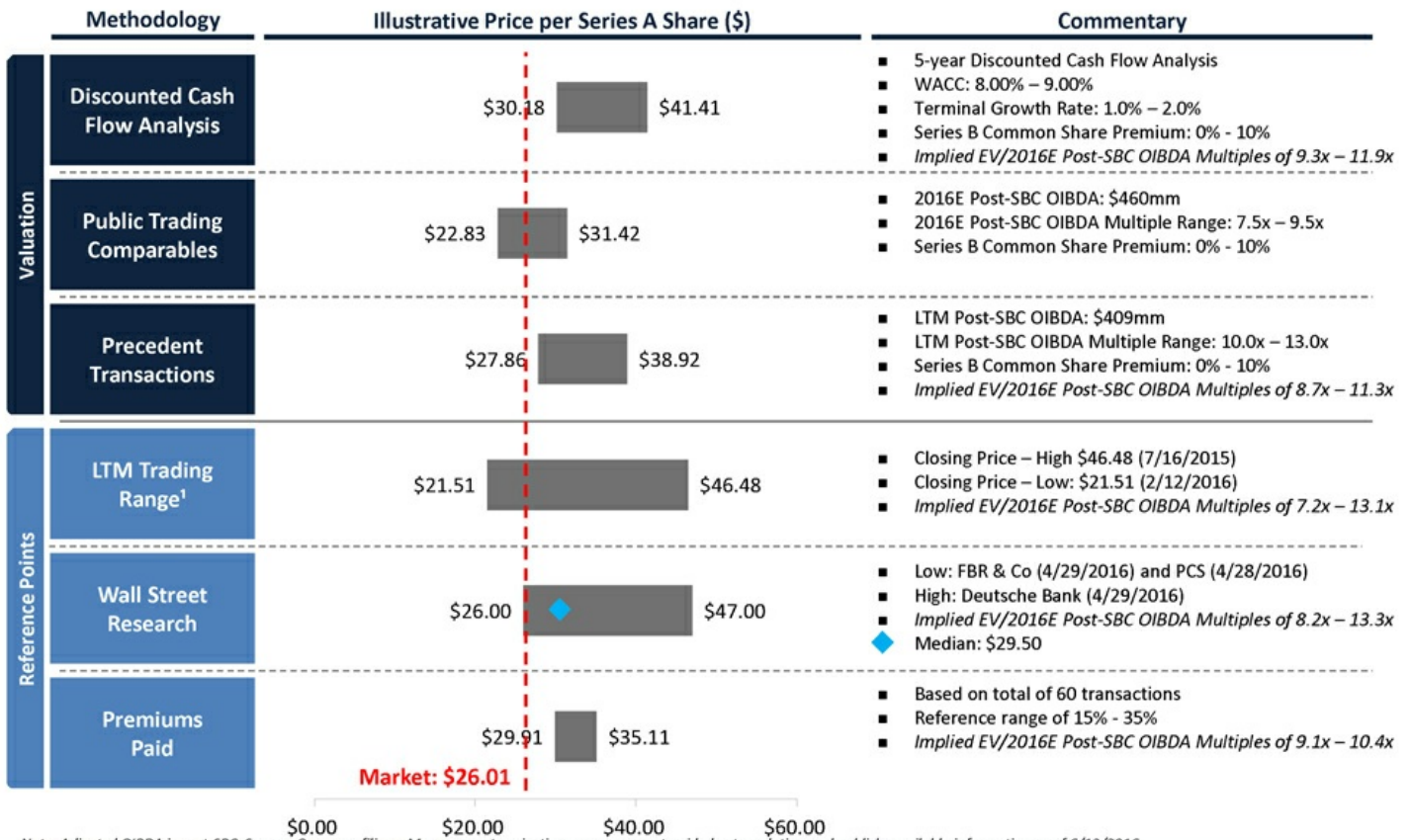
Saturn Preliminary Valuation Summary

Saturn Management Case

(\$ in millions, except per share values) | Calendar Years Ended 12/31

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Note: Adjusted OIBDA is post-SBC. Source: Company filings, Management projections, management guided extrapolation and publicly available information as of 6/13/2016.

¹LTM Trading Range based on high and low date of Saturn Class A.

Saturn Preliminary Discounted Cash Flows Analysis

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Saturn Management Case

(\$ in millions, except per share values) | Calendar Years Ended 12/31

Unlevered Free Cash Flow Overview

	Management Case			Extrapolation Guided by Mgmt. ¹		Terminal Year
	Q2 - Q4 2016E	2017E	2018E	2019E	2020E	
Revenue	\$1,268	\$1,789	\$1,868	\$1,930	\$1,995	\$1,995
% Growth		5.2%	4.4%	3.3%	3.4%	
Pre-SBC OIBDA	\$363	\$543	\$612	\$633	\$654	\$654
% Margin	28.6%	30.3%	32.8%	32.8%	32.8%	
Less: Stock Based Compensation	(22)	(31)	(30)	(31)	(32)	(32)
Post-SBC OIBDA	\$341	\$511	\$582	\$602	\$622	\$622
Less: Other income (expense), net	(12)	(4)	5	0	0	0
Less: D&A	(18)	(24)	(26)	(26)	(26)	(26)
EBIT	\$311	\$484	\$562	\$576	\$596	\$596
Less: Taxes @ 35.0%	(109)	(169)	(197)	(202)	(209)	(209)
Unlevered Net Income	\$202	\$315	\$365	\$375	\$388	\$388
Plus: Other non-op. and non-cash items	22	4	(5)	0	0	0
Plus: D&A	18	24	26	26	26	26
Plus: Content Amort./(Investment)	(36)	55	0	0	0	0
Less: Capex	(22)	(19)	(13)	(13)	(13)	(26)
Less: Change in Working Capital	30	(47)	(47)	(47)	(47)	(47)
Unlevered Free Cash Flow	\$215	\$331	\$326	\$340	\$354	\$341

Implied Price per Share

Discount Rate	Implied Price per Share (No Series B Premium)					Implied Price per Share (10% Series B Premium)				
	Perpetuity Growth Rate					Perpetuity Growth Rate				
	1.00%	1.25%	1.50%	1.75%	2.00%	1.00%	1.25%	1.50%	1.75%	2.00%
8.00%	\$35.76	\$37.01	\$38.37	\$39.83	\$41.41	\$35.45	\$36.69	\$38.03	\$39.48	\$41.05
8.25%	34.31	35.47	36.71	38.05	39.50	34.01	35.16	36.39	37.72	39.16
8.50%	32.95	34.02	35.17	36.41	37.74	32.65	33.73	34.87	36.09	37.41
8.75%	31.66	32.67	33.74	34.89	36.11	31.37	32.38	33.45	34.58	35.80
9.00%	30.45	31.39	32.39	33.47	34.60	30.18	31.11	32.11	33.17	34.30

Implied Terminal Multiple

Discount Rate	Implied Terminal Multiple ('20E Post-SBC OIBDA)				
	Perpetuity Growth Rate				
	1.00%	1.25%	1.50%	1.75%	2.00%
8.00%	8.2x	8.5x	8.9x	9.3x	9.7x
8.25%	7.9	8.2	8.6	8.9	9.3
8.50%	7.7	8.0	8.3	8.6	9.0
8.75%	7.4	7.7	8.0	8.3	8.6
9.00%	7.2	7.5	7.7	8.0	8.3

Source: Company Management.

¹ Extrapolation based on guidance from management provided on 6/11/2016.

Note: Valuation as of 3/31/2016.

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Saturn Preliminary Comparable Companies Analysis

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(\$ in millions, except per share values) | Calendar Years Ended 12/31

	Market Valuation				Growth Profile		Key Metrics		Valuation Metrics						Leverage		
	Stock Price ¹	% 52 Week High	Equity Value	Adj. Enterprise Value	CY2016-CY2018		Post-SBC OIBDA Margin		EV / Post-SBC OIBDA			Net Income / Equity Value (P/E)			Net Debt / LTM		
	6/13/2016				Revenue	OIBDA	CY2016	CY2017	LTM	CY2016	CY2017	Avg.	LTM	CY2016	CY2017	Avg.	Pre-SBC OIBDA
- Consensus					2.8%	5.5%	23.7%	23.8%	9.9x	9.2x	9.1x	9.8x	16.8x	12.9x	11.8x	13.5x	2.3x
Saturn - Management	26.01	55.8%	2,688	3,772	1.8%	9.1%	27.0%	28.6%	9.4	8.2	7.4	7.7	12.6	10.4	8.6	10.8	2.8x
Saturn - Consensus	26.01	55.8%	2,688	3,772	1.8%	13.0%	25.2%	27.4%	9.4	8.8	8.0	8.1	12.6	10.9	8.9	10.6	2.8x
Luna - Management ²	21.25	51.3%	3,169	2,658	1.0%	96.2%	2.4%	5.1%	68.3	41.0	18.8	32.5	64.6	51.2	40.7	50.3	20.2x
Luna - Consensus ²	21.25	51.3%	3,169	2,658	4.1%	54.2%	4.1%	8.8%	68.3	25.4	11.0	20.6	64.6	38.3	18.6	31.4	20.2x
Cable Networks																	
Discovery	\$ 25.97	74.3%	\$ 16,205	\$ 23,127	6.0%	5.8%	37.2%	37.3%	9.5x	9.4x	8.9x	9.3x	16.0x	12.7x	11.3x	13.0x	3.1x
Scripps	62.89	91.9%	8,154	10,962	4.3%	4.0%	41.1%	41.0%	7.6	7.9	7.5	7.7	10.5	12.1	11.5	11.4	2.4x
AMC Networks	60.05	68.9%	4,470	6,892	5.1%	4.4%	32.3%	32.2%	7.9	7.7	7.3	7.6	12.3	10.1	9.3	10.4	2.6x
MSG Networks	16.58	19.3%	1,256	2,474	3.8%	4.8%	46.6%	46.6%	5.7	8.0	7.8	7.0	7.4	8.1	8.1	7.9	3.1x
Cable Networks Median					4.7%	4.6%	39.1%	39.1%	7.8x	8.0x	7.7x	7.6x	11.4x	11.1x	10.3x	10.9x	2.8x
Diversified Media																	
Walt Disney	\$ 97.57	79.9%	\$ 160,709	\$ 174,940	5.1%	5.6%	30.6%	30.5%	10.5x	10.1x	9.6x	10.0x	18.0x	16.7x	15.4x	16.6x	0.9x
Time Warner	73.13	80.1%	58,932	78,111	5.4%	3.6%	28.2%	28.6%	9.7	9.5	8.8	9.3	14.8	13.6	12.0	13.4	2.7x
Twenty-First Century Fox	28.91	83.3%	55,304	59,758	5.8%	8.1%	25.1%	25.4%	9.4	8.4	7.9	8.5	25.0	15.1	12.8	16.3	2.3x
Viacom	41.24	60.2%	16,678	28,105	2.2%	0.5%	27.8%	29.0%	7.4	7.6	7.1	7.4	7.4	8.2	7.6	7.7	3.3x
Diversified Media Median					5.3%	4.6%	28.0%	28.8%	9.6x	8.9x	8.4x	8.9x	16.4x	14.4x	12.4x	14.8x	2.5x

Source: Public filings and Capital IQ as of 6/13/2016.

¹Stock Price reflects primary stock listing; enterprise value calculation considers all classes of stock.

²Luna debt excludes production loans and only includes convertible debt that is out of the money.

Preliminary Select Precedent Transactions

U.S. Cable Networks

(\$ in millions)

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Announced Date	Target	Acquiror	% Acquired	Implied EV	EV / LTM Revenue	EV / LTM OIBDA
1/22/2014	Pasiones / Centroamerica TV / TV Dominicana	Hemisphere Media Group	100.0%	\$100	4.3x ¹	8.1x ¹
2/12/2013	NBCUniversal	Comcast	49.0%	\$38,936 ²	1.6x ²	9.5x ²
3/4/2013	Outdoor Channel Holdings Inc.	Kroenke Sports & Entertainment	100.0%	\$208	2.7x ³	22.8x ³
12/3/2009	NBCUniversal	Comcast	51.0%	\$28,269 ⁴	1.8x ⁴	10.0x ⁴
11/5/2009	Travel Channel	Scripps Interactive	65.0%	\$975	4.5x ⁵	15.3x ⁵
Average					3.0x	13.1x
Median					2.7x	10.0x

Source: Filings, Wall Street Research, Publicly Available Information.

¹ Multiples based upon 2013 Revenue and OIBDA.

² Includes adjustments for the Weather Channel and Other unconsolidated investments and third party noncontrolling interests in RSNs per NBCU 2013 10K. Multiples based upon 2012 Revenue and OIBDA.

³ Multiples based upon 2012 Revenue and OIBDA.

⁴ Includes adjustments for AETN and other unconsolidated investments per DB research 12/11/2009 dated. Multiples based upon 2009 Revenue and OIBDA.

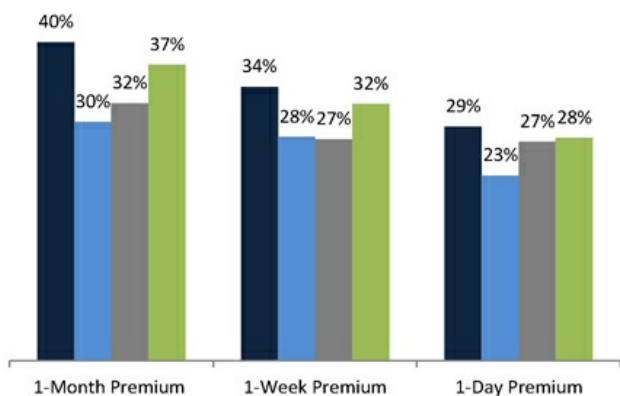
⁵ Multiples based upon 2009 Revenue and OIBDA.

Illustrative Premiums Paid Analysis

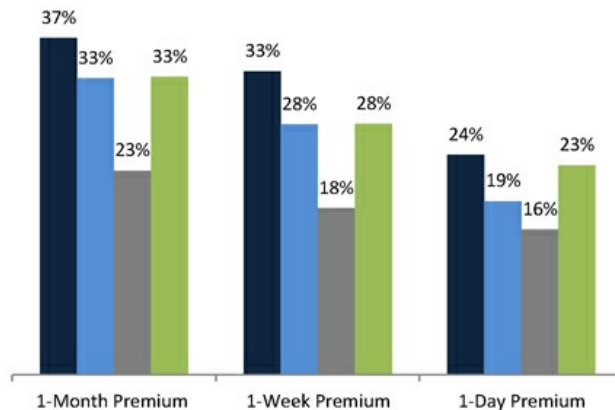
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Premium Paid for Transactions with Enterprise Value Between \$1.0bn and \$10.0bn

Average (%)



Median (%)



■ All Cash (44 Deals) ■ All Stock (7 Deals) ■ Cash & Stock (9 Deals) ■ All Transactions (60 Deals)

Analysis Criteria

- All publically announced transactions with a U.S. Target
- Transaction enterprise value between \$1,000mm and \$10,000mm
- Announced within last 10 years (6/8/2006 to 6/8/2016)
- Premium to unaffected price (adjusted for leaks)
- Excludes financial institutions and real estate transactions
- Excludes transactions marketed as mergers-of-equals

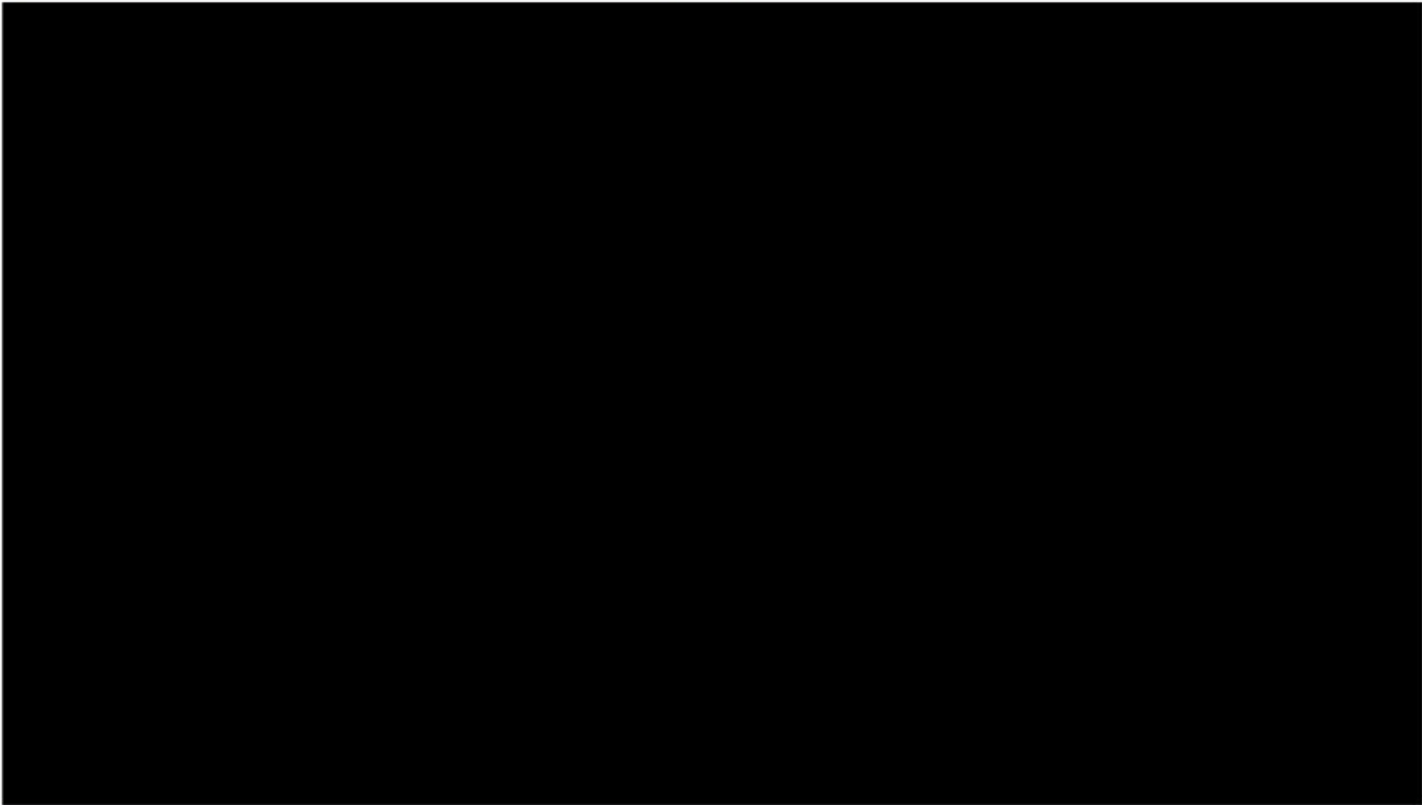
Source: CapitalIQ as of 6/10/2016.

IV. [REDACTED] – Company Overview

Confidential information has been omitted and filed separately with the Securities and Exchange Commission.
Confidential treatment has been requested with respect to this omitted information.

Company Overview

Portfolio



Source: Wall Street Research, Company Filings, Company Website.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Business Segments Overview

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(\$ in billions) | Calendar Years Ended 12/31

Segment Overview	Segment Allocation ¹	
[REDACTED]	2015A Revenue	2015A OIBDA
	[REDACTED]	
[REDACTED]	Historical & Projected Revenue Growth ¹	
	2013A – 2015A CAGR [REDACTED]	
[REDACTED]	2015A OIBDA Margin	
	[REDACTED]	

Source: SEC filings, Wall Street Research.

1. Excludes intersegment eliminations and corporate/eliminations.

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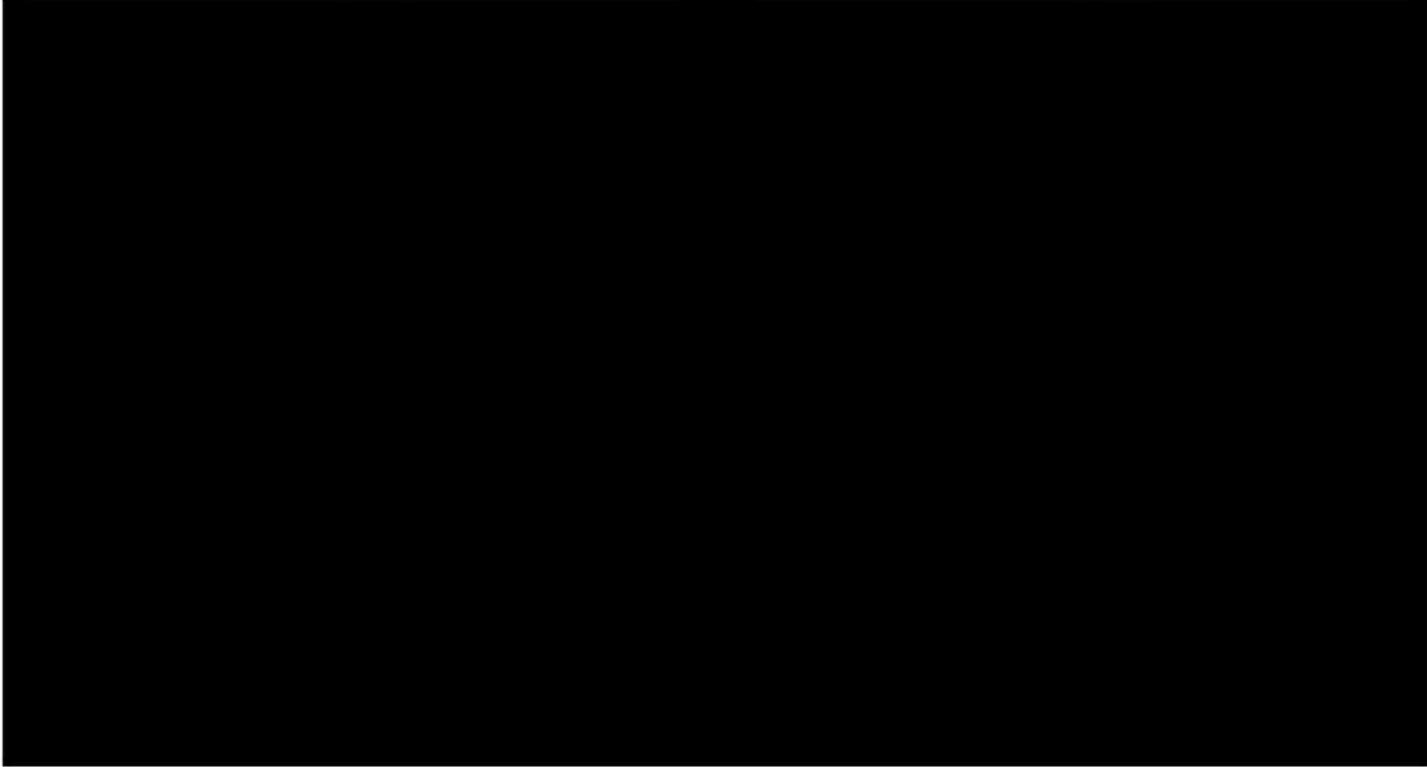
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Management Team & Board of Directors

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Management Team

Board of Directors



Source: Company Website.

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Stock Price Performance

Since January 14, 2013 (Date of Saturn Spin-off)

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B and A Share Price

Time Period	Average Closing Price	
	B	A
30 Day		
60 Day		
LTM		
Since 1/14/13		
LTM High		
LTM Low		

Daily Premium / Discount of A to B

Since Saturn Spin - 1/14/2013				LTM			
High	Low	Median	Mean	High	Low	Median	Mean

— Premium / Discount

Source: Capital IQ as of June 13, 2016.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Financial Summary

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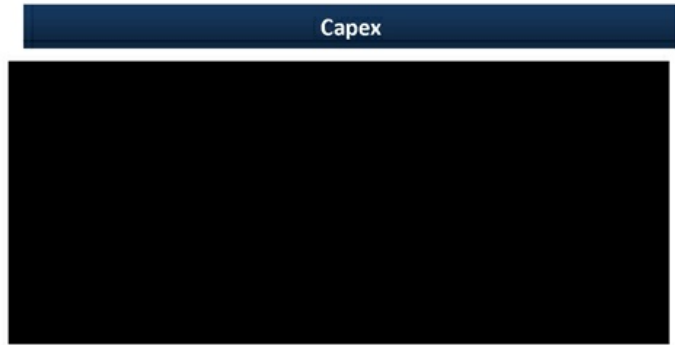
Wall Street Projections – PENDING SATURN MANAGEMENT APPROVED CASE
(\$ in millions) | Calendar Years Ended 12/31



Number of Analysts ■ ■ ■



Number of Analysts ■ ■ ■



Number of Analysts ■ ■ ■



Number of Analysts ■ ■ ■

Source: Filings, Capital IQ.

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V. [REDACTED] – Standalone Valuation

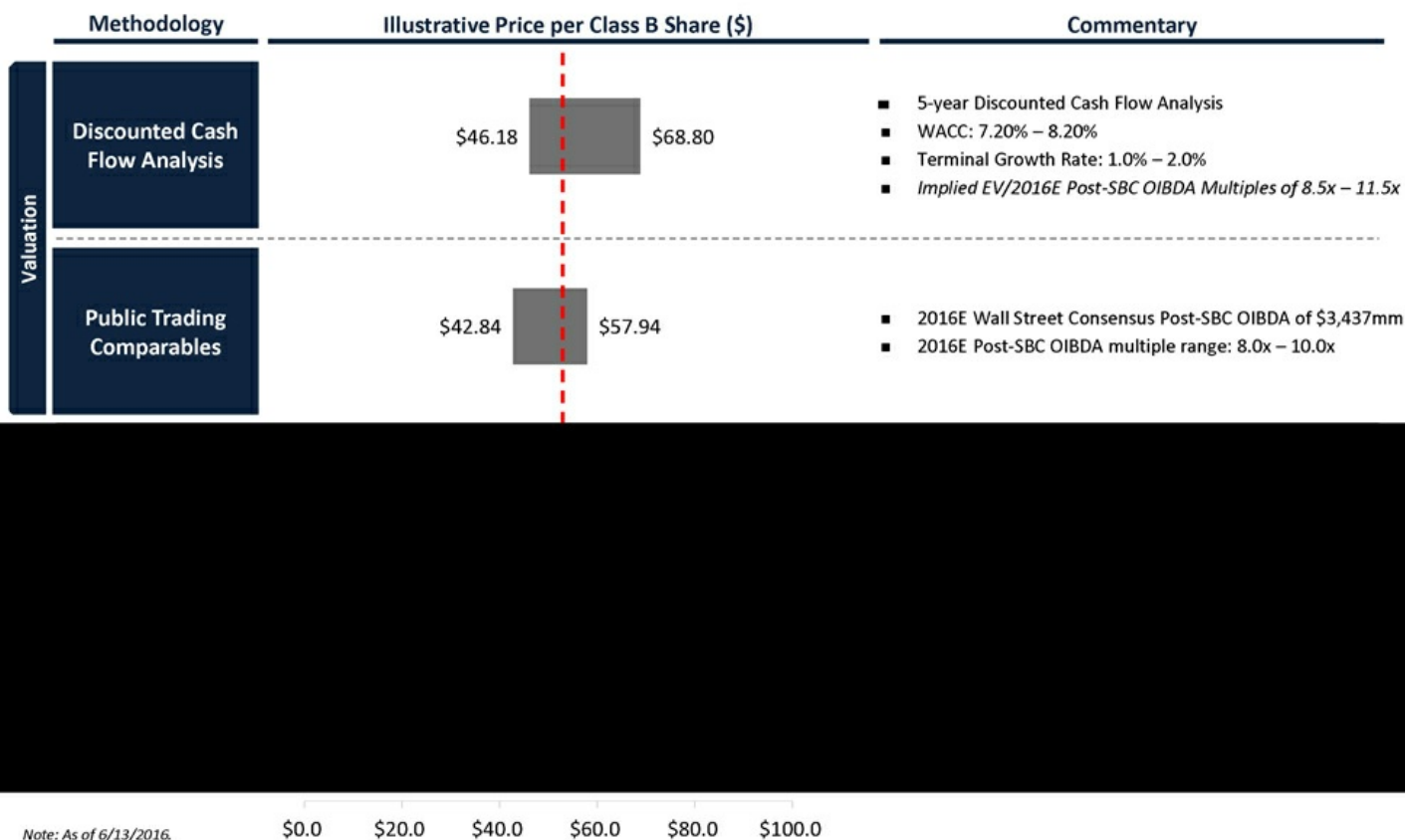
Preliminary Valuation Summary

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Wall Street Projections – PENDING SATURN MANAGEMENT APPROVED CASE

(\$ in millions, except per share values) | Calendar Years Ended 12/31



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Preliminary Discounted Cash Flows Analysis

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Wall Street Projections – PENDING SATURN MANAGEMENT APPROVED CASE

(\$ in millions, except per share values) | Calendar Years Ended 12/31

Unlevered Free Cash Flow Overview

	Wall Street Projections					Terminal Year
	Q2 - Q4 2016	2017E	2018E	2019E	2020E	
Net Revenue						
% Growth						
Adjusted OIBDA (Post-SBC)						
% Margin						
Less: D&A						
EBIT						
Less: Taxes @ 38.0%						
Unlevered Net Income						
Plus: D&A						
Less: Capex						
Less: Change in Working Capital						
Unlevered Free Cash Flow						

Implied Price per Share

Discount Rate	Implied Price per Share (No Premium)				
	Perpetuity Growth Rate				
	1.00%	1.25%	1.50%	1.75%	2.00%
7.25%	\$56.96	\$59.56	\$62.38	\$65.45	\$68.80
7.50%	54.05	56.44	59.02	61.82	64.87
7.75%	51.37	53.56	55.92	58.49	61.26
8.00%	48.87	50.89	53.07	55.41	57.96
8.25%	46.55	48.42	50.42	52.58	54.91

Discount Rate	Implied Price per Share (10% Premium)				
	Perpetuity Growth Rate				
	1.0%	1.3%	1.5%	1.8%	2.0%
7.25%	\$56.50	\$59.08	\$61.88	\$64.93	\$68.26
7.50%	53.62	55.99	58.55	61.32	64.35
7.75%	50.96	53.13	55.47	58.02	60.77
8.00%	48.48	50.48	52.64	54.97	57.49
8.25%	46.18	48.03	50.02	52.16	54.47

Implied Terminal Multiple

Discount Rate	Implied Terminal Multiple ('20E Post-SBC OIBDA)				
	Perpetuity Growth Rate				
	1.00%	1.25%	1.50%	1.75%	2.00%
7.25%	8.3x	8.7x	9.1x	9.5x	10.0x
7.50%	8.0	8.4	8.7	9.1	9.6
7.75%	7.7	8.0	8.4	8.8	9.2
8.00%	7.5	7.7	8.1	8.4	8.8
8.25%	7.2	7.5	7.8	8.1	8.4

Source: Morgan Stanley research model for change in net working capital and Capital IQ as of 6/13/2016 for all other metrics.
Note: Valuation as of 3/31/2016.

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Preliminary Comparable Companies Analysis

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(\$ in millions, except per share values) | Calendar Years Ended 12/31

	Market Valuation				Growth Profile		Key Metrics		Valuation Metrics						Leverage		
	Stock Price ¹	% 52 Week High	Equity Value	Adj. Enterprise Value	CY2016-CY2018		Post-SBC OIBDA Margin		EV / Post-SBC OIBDA			Net Income / Equity Value (P/E)			Net Debt / LTM		
	6/13/2016				Revenue	OIBDA	CY2016	CY2017	LTM	CY2016	CY2017	Avg.	LTM	CY2016	CY2017	Avg.	Pre-SBC OIBDA
- Consensus					2.8%	5.5%	23.7%	23.8%	9.9x	9.2x	9.1x	9.8x	16.8x	12.9x	11.8x	13.5x	2.3x
Saturn - Management	26.01	55.8%	2,688	3,772	1.8%	9.1%	27.0%	28.6%	9.4	8.2	7.4	7.7	12.6	10.4	8.6	10.8	2.8x
Saturn - Consensus	26.01	55.8%	2,688	3,772	1.8%	13.0%	25.2%	27.4%	9.4	8.8	8.0	8.1	12.6	10.9	8.9	10.6	2.8x
Luna - Management ²	21.25	51.3%	3,169	2,658	1.0%	96.2%	2.4%	5.1%	68.3	41.0	18.8	32.5	64.6	51.2	40.7	50.3	20.2x
Luna - Consensus ²	21.25	51.3%	3,169	2,658	4.1%	54.2%	4.1%	8.8%	68.3	25.4	11.0	20.6	64.6	38.3	18.6	31.4	20.2x
Cable Networks																	
Discovery	\$ 25.97	74.3%	\$ 16,205	\$ 23,127	6.0%	5.8%	37.2%	37.3%	9.5x	9.4x	8.9x	9.3x	16.0x	12.7x	11.3x	13.0x	3.1x
Scripps	62.89	91.9%	8,154	10,962	4.3%	4.0%	41.1%	41.0%	7.6	7.9	7.5	7.7	10.5	12.1	11.5	11.4	2.4x
AMC Networks	60.05	68.9%	4,470	6,892	5.1%	4.4%	32.3%	32.2%	7.9	7.7	7.3	7.6	12.3	10.1	9.3	10.4	2.6x
MSG Networks	16.58	19.3%	1,256	2,474	3.8%	4.8%	46.6%	46.6%	5.7	8.0	7.8	7.0	7.4	8.1	8.1	7.9	3.1x
Cable Networks Median					4.7%	4.6%	39.1%	39.1%	7.8x	8.0x	7.7x	7.6x	11.4x	11.1x	10.3x	10.9x	2.8x
Diversified Media																	
Walt Disney	\$ 97.57	79.9%	\$ 160,709	\$ 174,940	5.1%	5.6%	30.6%	30.5%	10.5x	10.1x	9.6x	10.0x	18.0x	16.7x	15.4x	16.6x	0.9x
Time Warner	73.13	80.1%	58,932	78,111	5.4%	3.6%	28.2%	28.6%	9.7	9.5	8.8	9.3	14.8	13.6	12.0	13.4	2.7x
Twenty-First Century Fox	28.91	83.3%	55,304	59,758	5.8%	8.1%	25.1%	25.4%	9.4	8.4	7.9	8.5	25.0	15.1	12.8	16.3	2.3x
Viacom	41.24	60.2%	16,678	28,105	2.2%	0.5%	27.8%	29.0%	7.4	7.6	7.1	7.4	7.4	8.2	7.6	7.7	3.3x
Diversified Media Median					5.3%	4.6%	28.0%	28.8%	9.6x	8.9x	8.4x	8.9x	16.4x	14.4x	12.4x	14.8x	2.5x

Source: Public filings and Capital IQ as of 6/13/2016.

¹Stock Price reflects primary stock listing; enterprise value calculation considers all classes of stock.

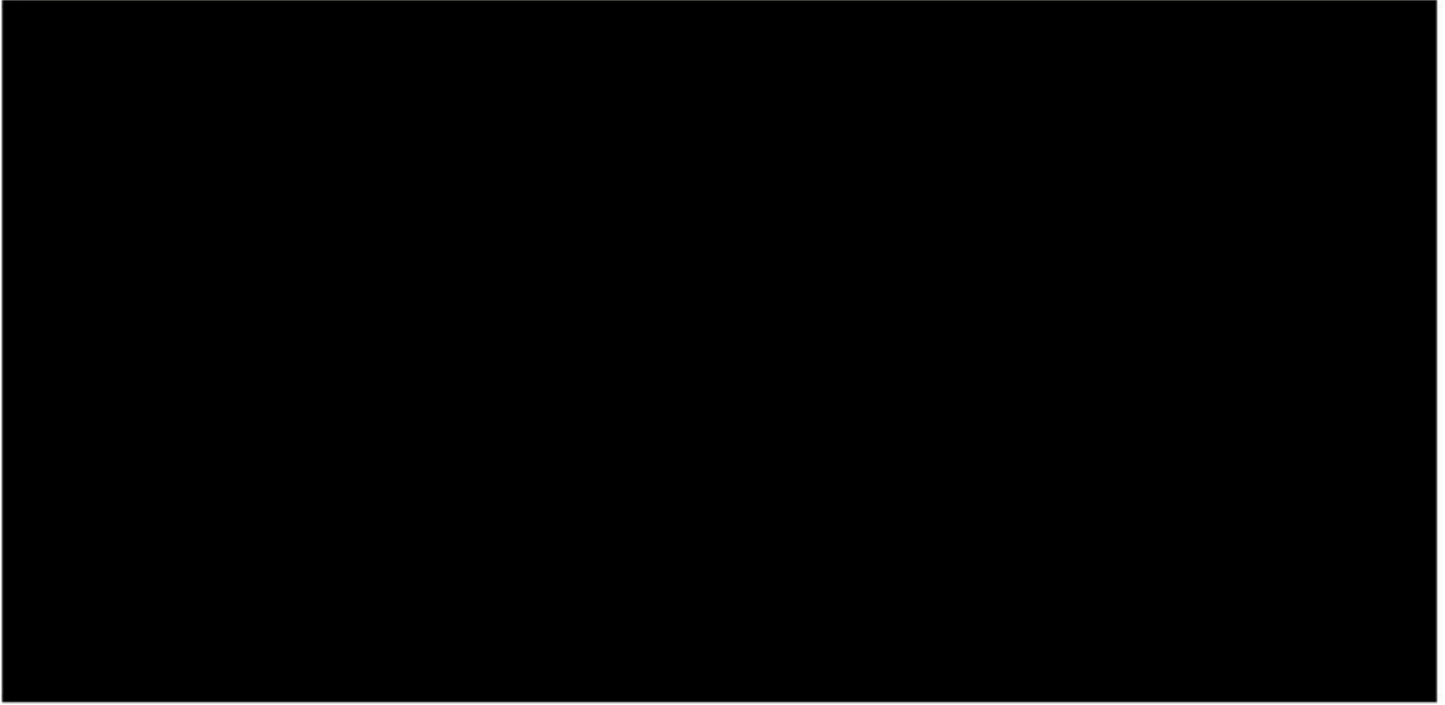
²Luna debt excludes production loans and only includes convertible debt that is out of the money.

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Analyst Targets



Source: Wall Street Research and Bloomberg. Current trading price as of 6/13/2016.

¹ Blended valuation methodology including DCF, P/E Multiple, EBITDA Multiple, PEG Multiple, P/FCF Multiple, and Sum-of-the-Parts. Price target is the average of P/E Multiple and DCF.

² Blended valuation methodology including DCF, P/E Multiple and EBITDA Multiple.

³ Blended valuation methodology including DCF, P/E Multiple, EBITDA Multiple, and Sum-of-the-Parts.

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VI. [REDACTED] – Combination Analysis

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Preliminary [REDACTED] + Saturn – 100% Stock

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Saturn Mngmt. Case & [REDACTED] Wall Street Projections – PENDING SATURN MANAGEMENT APPROVED CASE

(\$ in millions, except per share values) | Calendar Years Ended 12/31 | Excludes Synergies

	[REDACTED] @ Market	\$33 Fixed Value Offer		0.60x Exchange Ratio Offer @ Market	
		Saturn @ [REDACTED] Offer	Pro Forma [REDACTED]	Saturn @ [REDACTED] Offer	Pro Forma [REDACTED]
Low Vote Share Price	[REDACTED]	\$33.00	[REDACTED]	\$31.27	[REDACTED]
% Premium to Market	[REDACTED]	26.9%	[REDACTED]	20.2%	[REDACTED]
Equity Value	[REDACTED]	\$3,489	[REDACTED]	\$3,297	[REDACTED]
Plus: Total Debt	[REDACTED]	\$1,120	[REDACTED]	\$1,120	[REDACTED]
Less: Cash	[REDACTED]	(10)	[REDACTED]	(10)	[REDACTED]
Minority Interest / (Uncon. Asset)	[REDACTED]	(25)	[REDACTED]	(25)	[REDACTED]
Total Enterprise Value	[REDACTED]	\$4,574	[REDACTED]	\$4,382	[REDACTED]
Valuation & Leverage Metrics					
Enterprise Value / 2016E Post-SBC OIBDA	9.2x	9.9x	[REDACTED]	9.5x	[REDACTED]
Enterprise Value / 2017E Post-SBC OIBDA	9.1	8.9	[REDACTED]	8.6	[REDACTED]
2016E EPS Accretion / (Dilution)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net Debt / 2016E Pre-SBC OIBDA	2.2x	2.3x	[REDACTED]	2.3x	[REDACTED]
Economic Ownership					
[REDACTED]	100.0%	0.0%	87.3%	0.0%	88.0%
Saturn	0.0%	100.0%	12.7%	100.0%	12.0%

Implied Saturn Price @ 0.60x Fixed Exchange Ratio:

- \$31.27 @ Market
- \$32.16 @ 30-day VWAP
- \$32.82 @ 60-day VWAP
- \$32.74 @ 90-day VWAP

Source: Management projections and Wall Street Research. Current trading price as of 6/13/2016.

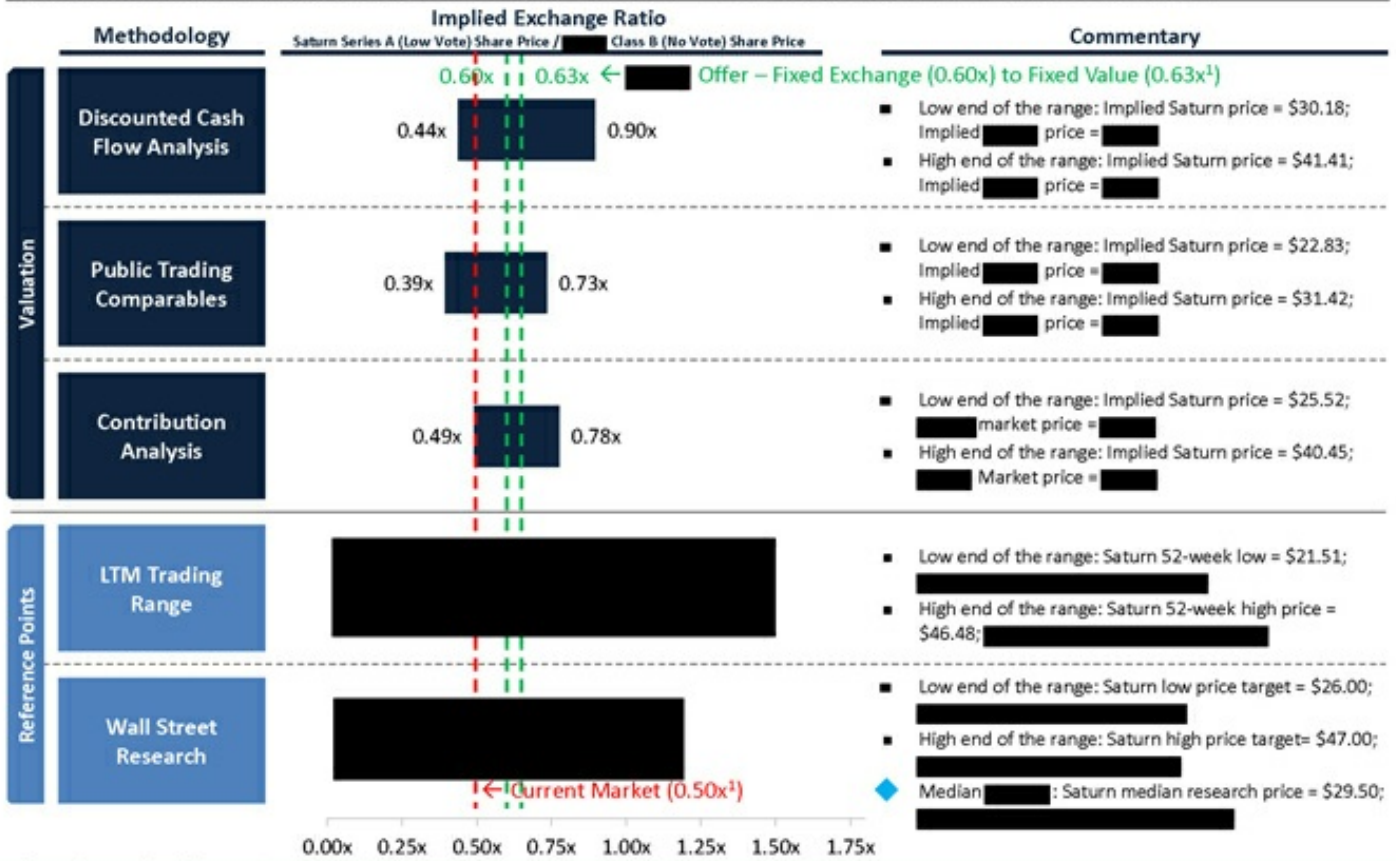
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Preliminary Implied Exchange Ratio Summary

Saturn Mngmt. Case & ██████████ Wall Street Projections – PENDING SATURN MANAGEMENT APPROVED CASE
(\$ in millions, except per share values) | Calendar Years Ended 12/31 | Excludes Synergies



Source: Company filings, Management projections, Wall Street research.
Notes: Data as of 6/13/2016.
¹ Based on market prices as of 6/13/2016.

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Saturn Series A / [REDACTED] B Exchange Ratio

Since Saturn Spin-off from Liberty Media

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Source: Capital IQ as of June 13, 2016.
¹ Based on market price as of 6/13/2016.

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Preliminary Contribution Analysis

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Saturn Mngmt. Case & ██████████ Wall Street Projections – PENDING SATURN MANAGEMENT APPROVED CASE

(\$ in millions) | Calendar Years Ended 12/31

	██████████	Saturn	Pro Forma Combined	Implied Exchange	Contribution (%)
Revenue					
LTM		\$1,735		0.52x	
2016E		1,700		0.49x	
2017E		1,789		0.51x	
Adjusted OIBDA					
LTM		\$433		0.70x	
2016E		460		0.58x	
2017E		511		0.65x	
Net Income					
LTM		\$217		0.78x	
2016E		247		0.59x	
2017E		287		0.63x	

Source: ██████████ per Capital IQ consensus estimates as of 6/13/2016. Saturn per company management.

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VII. Luna – Company Overview

Company Overview

- Leading global entertainment company with a strong and diversified presence in motion picture production and distribution, television programming and syndication, home entertainment, family entertainment, digital distribution, new channel platforms and international distribution and sales
- Has become one of the major independent studios for leading intellectual property owners, third-party distributors and digital platforms
- The Company's feature films have grossed more than \$7 billion at the global box office over the past four years, and Luna and its predecessor companies have earned 77 Academy Award® nominations and 20 Oscar wins
- 16,000-title film and television library, one of the biggest content catalogues in the world
- Focused on expanding into location-based entertainment, video games and virtual reality to extend the longevity of existing franchises awhile identifying exciting new properties

Recent Developments

- June 2016 – The Company announces it is seeking acquisitions
- April 2016 – Confirmed significant output agreement with Fox Networks Group's Pay TV and Basic Cable channels across LatAm
- March 2016 – Announced partnership with Comic-Con International for newly named subscription video-on-demand (SVOD) platform
- February 2016 – Luna rumored to be seeking acquisition of Saturn
- January 2016 – Investments in film ticketing company Atom Tickets and video gaming company Next Games Oy
- November 2015 – Acquired majority stake in Pilgrim Studios, Inc.

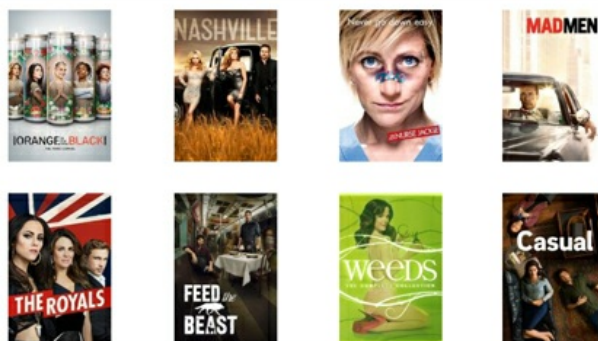
Source: Wall Street Research, Company Filings, Company Website.

Illustrative Key Properties

Earned 70 Academy Award Nominations and 20 Academy Award Wins








Earned 186 Emmy nominations and 29 Primetime Emmy wins



Luna Business Segments Overview

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Segment	Description
MOVIES 	<ul style="list-style-type: none"> Diverse theatrical slate of tentpole, star-driven event films and branded properties includes 15 – 20 wide releases each year from its Luna and Summit Entertainment labels, and another 25 or more films annually from the Company's other six labels and partnerships Has released three of the four biggest young adult franchises of the past decade Reach a global audience through an international distribution infrastructure in the UK, Latin America and nearly 20 theatrical output agreements globally, and strong distribution partnerships with leading companies in China and India
TV 	<ul style="list-style-type: none"> Leading supplier of premium content to cable, broadcast and digital platforms Grown from \$8mm in revenue in 2000 to nearly \$700mm in fiscal 2016, a compounded annual growth rate of over 20% Programming roster includes nearly 80 shows on 40 different U.S. networks with 15 new scripted series planned for this year Building a nonfiction business alongside its premium scripted programming, with investment in leading reality producer Pilgrim Studios Has become a leading source of content for its own portfolio of channels as well (<i>Graves / EPIX; Nightcap / POP</i>, etc.)
HOME ENTERTAINMENT 	<ul style="list-style-type: none"> New distribution and replication agreements with Fox and Cinram Capitalizes on new technology, pioneering new business models and creating new windowing and pricing strategies to adapt to changing viewer habits Home Ent. business finished among the top five major studios in 2012, driven by <i>Hunger Games</i> and <i>Twilight</i> franchises
CHANNELS 	<ul style="list-style-type: none"> Launched its emerging channel business in 2006 as an extension of its growing content business, taking equity positions in nine branded channels globally [REDACTED]
INTERNATIONAL 	<ul style="list-style-type: none"> Global network of output deals with blue-chip partners in France, Germany, Spain, Benelux, Scandinavia, Russia, Poland and Austria/New Zealand that mitigate risk and increase the Company's international theatrical visibility Operates a self-distribution company in the U.K. and a JV with IDC serving the LatAm marketplace Partnered with Astro's Celestial Pictures serving Asia and with Universal Pictures for film distribution and Celestial Tiger for Channel delivery in India

Source: Company Website, Wall Street Research.

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Management Team & Board of Directors

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Management Team



Jon Feltheimer
Chief Executive Officer



Michael Burns
Vice Chairman



Steve Beeks
Co-Chief Operating Officer & Co-President, Motion Picture Group



Brian Goldsmith
Co-Chief Operating Officer



Wayne Levin
General Counsel and Chief Strategic Officer



James W. Barge
Chief Financial Officer

Board of Directors

Michael Burns
Vice Chairman

Dr. John C. Malone
Chairman of the Board, Liberty Media Corporation

Gordon Crawford
Formerly, Senior Vice President, Capital Research Management

G. Scott Paterson
Vice Chairman, NeuLion Inc.

Arthur Evrensel
Partner, Michael, Evrensel & Pawar LLP

Mark H. Rachesky, M.D.
President and Founder, MHR Fund Management LLC

Jon Feltheimer
Chief Executive Officer

Daryl Simm
Chairman and CEO, Omnicom Media Group

Emily Fine
Principal, MHR Fund Management LLC

Hardwick Simmons
Formerly Chairman and CEO, NASDAQ

Michael T. Fries
President and Chief Executive Officer, Liberty Global

Phyllis Yaffe
Formerly CEO, Alliance Atlantis Communications

Harald Ludwig
President and CEO, Malcuan Capital Corporation

David M. Zaslav
Chief Executive, Discovery Communications

Source: Company Website.

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Luna Shareholder Summary

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- John Malone owns an effective 5% of Luna through his pro-rata voting interests in Discovery Communications (29% of voting rights) and Liberty Global (26% of voting rights)
- Malone and his affiliates have four board seats at Luna equivalent to 29% of the directors
 - Affiliates include Luna CEO Jon Feltheimer (who sits on the board of Saturn), Liberty CEO Michael Fries, and Discovery CEO David Zaslav

Shareholder	Shares	%	Saturn Shareholder?
MHR Fund Management	30,211,049	20.5%	
Capital World Investors	8,819,000	6.0%	
Fidelity Management & Research Company	8,468,505	5.8%	✓
Capital Research Global Investors	7,829,000	5.3%	
The Vanguard Group	7,403,290	5.0%	✓
Naya Management	5,443,495	3.7%	✓
Discovery Communications, Inc.	5,000,000	3.4%	
Liberty Global	5,000,000	3.4%	
John Malone	4,967,695	3.4%	✓
Kornitzer Capital Management	4,613,348	3.1%	
Fairpointe Capital	4,397,602	3.0%	
Shapiro Capital Management	3,341,300	2.3%	
BlackRock	3,145,992	2.1%	✓
Jefferies	3,103,300	2.1%	
LLBH Private Wealth Management	3,051,416	2.1%	
Matrix Capital Management Company	2,786,400	1.9%	
Neuberger Berman	2,315,179	1.6%	✓
ClearBridge Investments	2,231,884	1.5%	✓
Calamos Advisors	1,951,074	1.3%	
Michael Raymond Burns	1,693,356	1.2%	
Other	31,454,912	21.4%	
Total	147,227,797	100.0%	

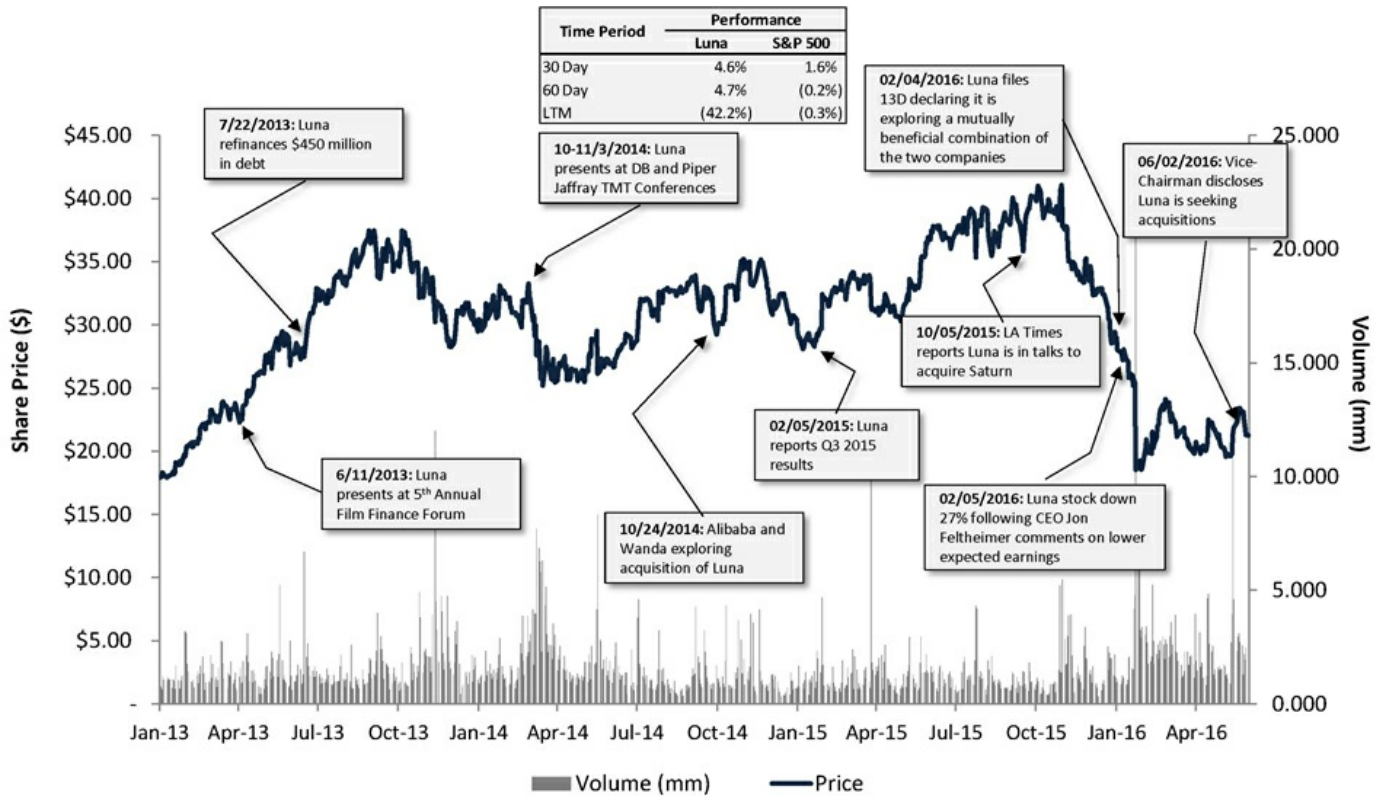
Source: Company filings, Thomson One.
Note: As of 6/10/2016.

 John Malone Affiliated Shareholders

Luna Stock Price Performance

Since January 14, 2013 (Date of Saturn Spin-off from Liberty Media)

(\$ per share)



Source: Capital IQ as of 6/13/2016.

Luna Research Target Prices

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Analyst Targets

Date	Firm	Valuation Methodology	Multiple Year	Rating	Target Price	% Premium to Current	% Premium to Publish Day
5/26/2016	Topeka Capital Markets	LFCF Multiple	2017	Buy	\$40.00	88.2%	102.4%
6/5/2016	Evercore ISI	DCF		Buy	\$32.00	50.6%	36.6%
6/7/2016	PiperJaffray	DCF		Overweight	\$30.00	41.2%	30.6%
5/27/2016	Jefferies	EBITDA Multiple	2018	Buy	\$29.00	36.5%	36.4%
6/6/2016	Barrington Research	EBITDA Multiple	2017	Outperform	\$27.00	27.1%	17.4%
5/27/2016	Macquarie	EBITDA Multiple	2018	Outperform	\$27.00	27.1%	27.0%
5/26/2016	JP Morgan	P/E Multiple	2018	Overweight	\$26.00	22.4%	31.6%
5/27/2016	Goldman Sachs	Blended ¹	2017	Neutral	\$24.00	12.9%	12.9%
5/27/2016	RBC Capital Markets	EBITDA Multiple	2016/17	Sector Perform	\$23.00	8.2%	8.2%
5/27/2016	Cowen and Company	Blended ²		Market Perform	\$22.00	3.5%	1.1%
Average					\$28.00	31.8%	30.4%
Median					\$27.00	27.1%	28.8%
Current Trading Price					\$21.25		

Source: Wall Street Research and Bloomberg. Current trading price as of 6/13/2016.

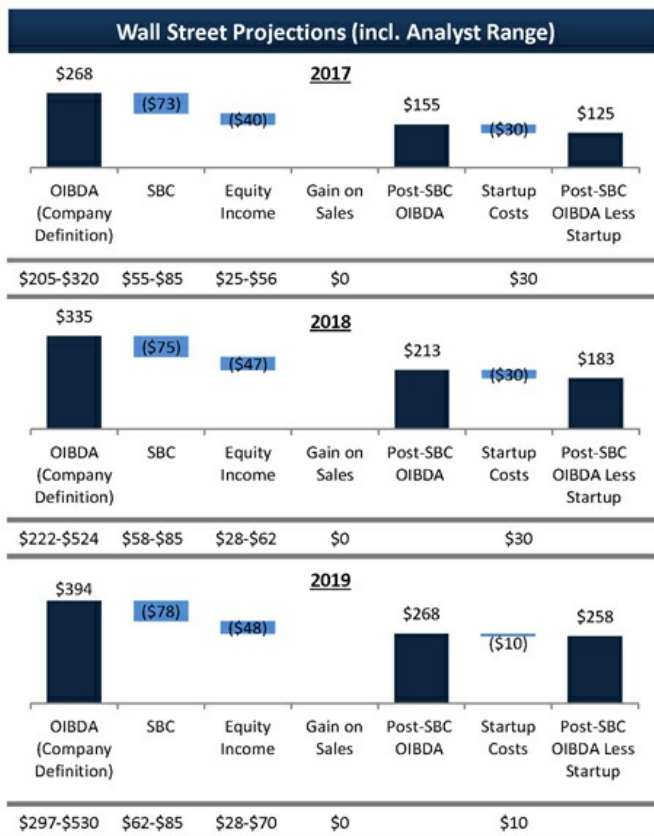
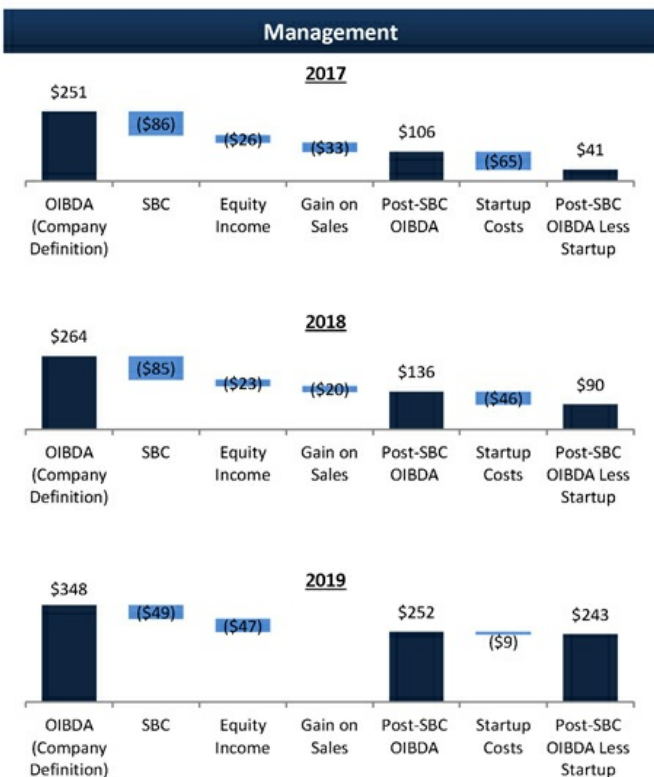
¹ Blended valuation methodology of 85% EBITDA Multiple and 15% M&A.

² Blended valuation methodology including DCF, P/E Multiple, EBITDA Multiple, and Sum-of-the-Parts.

Luna Management Plan vs. Wall Street Summary

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(\$ in millions) | Fiscal Years Ended 3/31



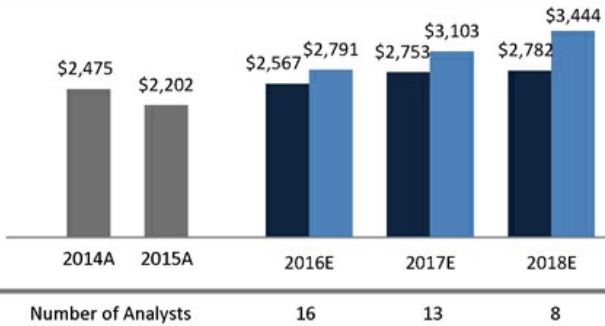
Source: Company Management, Filings, and Capital IQ as of June 13, 2016.

Luna Calendar Year Financial Summary

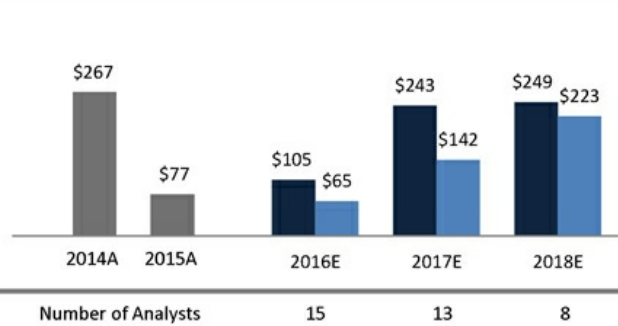
Luna Wall Street Projections – PENDING SATURN MANAGEMENT APPROVED CASE

(\$ in millions) | Calendar Years Ended 12/31

Revenue



Post-SBC OIBDA¹



Capex



Net Income



■ Management Case ■ Consensus Estimates

Source: Company Management, Filings, and Capital IQ as of June 13, 2016.

¹Adjusted OIBDA is post stock-based compensation and excludes equity interests.

Luna Preliminary Comparable Companies Analysis

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(\$ in millions, except per share values) | Calendar Years Ended 12/31

	Market Valuation				Growth Profile		Key Metrics		Valuation Metrics						Leverage		
	Stock Price ¹	% 52 Week	Equity	Adj. Enterprise	CY2016-CY2018		Post-SBC OIBDA Margin		EV / Post-SBC OIBDA			Net Income / Equity Value (P/E)			Net Debt / LTM		
	6/13/2016	High	Value	Value	Revenue	OIBDA	CY2016	CY2017	LTM	CY2016	CY2017	Avg.	LTM	CY2016	CY2017	Avg.	Pre-SBC OIBDA
■ - Consensus					2.8%	5.5%	23.7%	23.8%	9.9x	9.2x	9.1x	9.8x	16.8x	12.9x	11.8x	13.5x	2.3x
Saturn - Management	26.01	55.8%	2,688	3,772	1.8%	9.1%	27.0%	28.6%	9.4	8.2	7.4	7.7	12.6	10.4	8.6	10.8	2.8x
Saturn - Consensus	26.01	55.8%	2,688	3,772	1.8%	13.0%	25.2%	27.4%	9.4	8.8	8.0	8.1	12.6	10.9	8.9	10.6	2.8x
Luna - Management ³	21.25	51.3%	3,169	2,658	1.0%	96.2%	2.4%	5.1%	68.3	41.0	18.8	32.5	64.6	51.2	40.7	50.3	20.2x
Luna - Consensus ³	21.25	51.3%	3,169	2,658	4.1%	54.2%	4.1%	8.8%	68.3	25.4	11.0	20.6	64.6	38.3	18.6	31.4	20.2x
Standalone Film Studio																	
Dreamworks ²	\$ 27.12	91.2%	\$ 2,350	\$ 2,709	16.7%	44.0%	12.1%	17.0%	21.3x	24.0x	14.8x	19.2x	18.9x	51.7x	35.2x	55.9x	2.0x
Cable Networks																	
Discovery	\$ 25.97	74.3%	\$ 16,205	\$ 23,127	6.0%	5.8%	37.2%	37.3%	9.5x	9.4x	8.9x	9.3x	16.0x	12.7x	11.3x	13.0x	3.1x
Scripps	62.89	91.9%	8,154	10,962	4.3%	4.0%	41.1%	41.0%	7.6	7.9	7.5	7.7	10.5	12.1	11.5	11.4	2.4x
AMC Networks	60.05	68.9%	4,470	6,892	5.1%	4.4%	32.3%	32.2%	7.9	7.7	7.3	7.6	12.3	10.1	9.3	10.4	2.6x
MSG Networks	16.58	19.3%	1,256	2,474	3.8%	4.8%	46.6%	46.6%	5.7	8.0	7.8	7.0	7.4	8.1	8.1	7.9	3.1x
Cable Networks Median					4.7%	4.6%	39.1%	39.1%	7.8x	8.0x	7.7x	7.6x	11.4x	11.1x	10.3x	10.9x	2.8x
Diversified Media																	
Walt Disney	\$ 97.57	79.9%	\$ 160,709	\$ 174,940	5.1%	5.6%	30.6%	30.5%	10.5x	10.1x	9.6x	10.0x	18.0x	16.7x	15.4x	16.6x	0.9x
Time Warner	73.13	80.1%	58,932	78,111	5.4%	3.6%	28.2%	28.6%	9.7	9.5	8.8	9.3	14.8	13.6	12.0	13.4	2.7x
Twenty-First Century Fox	28.91	83.3%	55,304	59,758	5.8%	8.1%	25.1%	25.4%	9.4	8.4	7.9	8.5	25.0	15.1	12.8	16.3	2.3x
Viacom	41.24	60.2%	16,678	28,105	2.2%	0.5%	27.8%	29.0%	7.4	7.6	7.1	7.4	7.4	8.2	7.6	7.7	3.3x
Diversified Media Median					5.3%	4.6%	28.0%	28.8%	9.6x	8.9x	8.4x	8.9x	16.4x	14.4x	12.4x	14.8x	2.5x

Source: Public filings and Capital IQ as of 6/13/2016.

¹Stock Price reflects primary stock listing; enterprise value calculation considers all classes of stock.

²Dreamworks figures as of April 29th, 2016 prior to acquisition by Comcast.

³Luna debt excludes production loans and only includes convertible debt that is out of the money.

VIII. Luna – Combination Analysis

Preliminary Luna + Saturn - \$20 Cash + 0.566 Luna Shares **PRELIMINARY DRAFT**

Saturn Mngmt. Case & Luna Mnmgt. Case - *PENDING SATURN MANAGEMENT APPROVED CASE*

(\$ in millions, except per share values) | Calendar Years Ended 12/31 | Excludes Synergies

	Assuming Luna Voting Share Premium of:				\$20 Cash + 0.566 Luna Shares to Low Vote Shares				
	0.0%	2.5%	5.0%	10.0%	No Luna Voting Share Prem.		10% Luna Voting Share Prem.		
	@ Market	Saturn @	Pro Forma	Saturn @	Pro Forma	Saturn @	Pro Forma	Saturn @	Pro Forma
Low Vote Share Price	\$21.25	\$32.03	\$21.25	\$31.46	\$20.25				
% Premium to Market	0.0%	23.1%	0.0%	21.0%	(4.7%)				
Equity Value	\$3,164	\$3,381	\$4,874	\$3,318	\$4,850				
Plus: Total Debt	\$846	\$1,120	\$3,478	\$1,120	\$3,476				
Less: Cash	(58)	(10)	(68)	(10)	(68)				
Minority Interest / (Uncon. Asset) ¹	(1,177)	(25)	(1,203)	(25)	(1,203)				
Total Enterprise Value	\$2,775	\$4,466	\$7,082	\$4,403	\$7,056				
Valuation & Leverage Metrics									
Enterprise Value / 2016E Post-SBC OIBDA	40.4x	9.7x	13.5x	9.6x	13.5x				
Enterprise Value / 2017E Post-SBC OIBDA	18.5	8.7	10.8	8.6	10.8				
2016E EPS Accretion / (Dilution)			229.7%		228.2%				
2017E EPS Accretion / (Dilution)			67.7%		66.9%				
Net Debt / 2016E Pre-SBC OIBDA	4.9x	2.3x	5.2x	2.3x	5.2x				
Economic Ownership									
Luna	100.0%	0.0%	64.9%	0.0%	64.6%				
Third Party Investor	0.0%	0.0%	10.3%	0.0%	10.7%				
Saturn	0.0%	100.0%	24.8%	100.0%	24.7%				

Assumes \$2.0bn of cash to Saturn S/Hs and \$500mm Third Party Equity Raise

Source: Management projections. Current trading price as of 6/13/2016.

Note: Assumes 6% external interest rate on new debt and 19% tax rate.

¹ Luna unconsolidated investment in Saturn valued at offer valuation. Includes \$450mm NPV adjustment for Luna tax rate differential vs. US peers.

Preliminary Luna + Saturn Liquidity Profile

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PRELIMINARY DRAFT

Saturn Mngmt. Case & Luna Mnmgt. Case – PENDING SATURN MANAGEMENT APPROVED CASE

(\$ in millions, except per share values) | Calendar Years Ended 12/31 | Excludes Synergies

(\$ in millions)	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Saturn Pre-SBC OIBDA	\$477	\$502	\$462	\$490	\$543	\$612	\$633
Lunar Pre-SBC OIBDA ¹	383	337	156	161	226	281	346
Synergies	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Pro Forma Pre-SBC OIBDA	\$859	\$839	\$618	\$651	\$769	\$893	\$979
% Growth		(2.4%)	(26.4%)	5.4%	18.0%	16.2%	9.5%
Less: Combined Capex					(\$26)	(\$20)	(\$20)
Less: Combined Film & TV Inv. (Net of Amort.)					156	(13)	0
Less: NWC					(40)	(97)	(59)
Less: Other Adjustments					(46)	(17)	(2)
Unlevered Pre-Tax Cash Flows					\$812	\$746	\$897
Less: PF Interest Expense (assumes 6%)					(209)	(209)	(209)
Less: Luna Standalone Cash Taxes					(11)	(12)	(14)
Less: Saturn PF Cash Taxes					--	--	--
Free Cash Flow					\$592	\$525	\$674
Total Debt				\$3,478	3,478	3,478	3,478
Cash				68	659	1,184	1,858
Total Debt / PF Pre-SBC OIBDA				5.3x	4.5x	3.9x	3.6x
Net Debt / PF Pre-SBC OIBDA				5.2	3.7	2.6	1.7

Requires additional diligence

Source: Management projections. Current trading price as of 6/13/2016.

Note: Assumes 6% external interest rate on new debt.

¹ Excludes equity income from affiliates and gain on sales of affiliates.

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Perspectives on Luna Standalone

"On April 1, 2016, Moody's revised Luna's rating outlook to negative from stable and affirmed its Ba3 Corporate Family rating (CFR) and the Ba3 senior secured debt rating. The change in the company's rating outlook was driven by higher than expected debt levels for the rating as well as weaker than expected operating results at its Motion Pictures segment.... Elevated debt-to-EBITDA of 9.2x (as of 12/31/2015, incorporating Moody's standard adjustments) and high gross debt levels, weakly position the company in the Ba3 rating category.

Supporting the company's Ba3 CFR rating is the perceived value of Luna's assets, particularly its film and TV library. Its assets include its library consisting of over 16,000 motion picture titles and television episodes and programs, the company's 31.2% stake in EPIX, and its 50% ownership of Pop (formerly referred to as TVGuide Network, now with CBS (Baa2 senior unsecured, stable outlook) as its partner)."

Source: Moody's Credit Opinion, Luna, April 4, 2016

Perspectives on Luna and Saturn Combination

"Moody's believes that a merger with Saturn would be strategically beneficial due to the potential for collaboration between the two companies. We believe, the deal will enable Luna to leverage its production capabilities to benefit from the increasing demand for original programming and theatrical output which are important to Saturn, and thereby boost revenues and profitability for the combined entity. The deal will also bring financial advantages to Luna as Saturn has a stronger balance sheet with low leverage of 2.5x (Moody's adjusted), a good track record of stable profitability and generates strong annual cash flows of over \$200 million. Moody's notes that if the two companies agree to a deal, Luna could retain a "Ba" rating if management is committed to its credit ratings and the transaction is funded with stock, a moderate amount of new debt and proceeds from potential asset sales. Moody's will continue to monitor developments during upcoming quarters as they unfold and evaluate the impact on Luna's credit profile."

Appendix A: Supplemental Valuation Material

Saturn / ██████████ Research Summary

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(\$ per Share)

Saturn Series A					Class B	Implied Exchange Ratio
Date	Firm	Rating	Target Price	% Premium to Current		
5/2/2016	CLSA	Outperform	\$31.00	19.2%		
5/1/2016	Macquarie	Neutral	\$28.00	7.7%		
4/29/2016	Pivotal Research Group	Buy	\$32.00	23.0%		
4/29/2016	Morgan Stanley	Equal-weight	\$27.00	3.8%		
4/29/2016	Evercore ISI	Buy	\$33.00	26.9%		
4/29/2016	Deutsche Bank	Buy	\$47.00	80.7%		
4/29/2016	FBN Securities	Outperform	\$35.38	36.0%		
4/29/2016	FBR & Co.	Market Perform	\$26.00	(0.0%)		
4/29/2016	Drexel Hamilton	Hold	\$27.50	5.7%		
4/28/2016	Pacific Crest Securities	Sector Weight	\$26.00	(0.0%)		
Average			A \$31.29	20.3%		
Median			C \$29.50	13.4%		

Note: Current price as of 6/13/2016.
Source: Wall Street Research, Capital IQ.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission.
Confidential treatment has been requested with respect to this omitted information.

Saturn / Luna Research Summary

PRIVATE AND CONFIDENTIAL
PRELIMINARY DRAFT

(\$ per Share)

Saturn Series A					Luna					Implied Exchange Ratio
Date	Firm	Rating	Target Price	% Premium to Current	Date	Firm	Rating	Target Price	% Premium to Current	Saturn / Luna
5/2/2016	CLSA	Outperform	\$31.00	19.2%	6/7/2016	PiperJaffray	Overweight	\$30.00	41.2%	
5/1/2016	Macquarie	Neutral	\$28.00	7.7%	5/27/2016	Macquarie	Outperform	\$27.00	27.1%	1.04x
4/29/2016	Evercore ISI	Buy	\$33.00	26.9%	6/5/2016	Evercore ISI	Buy	\$32.00	50.6%	1.03x
4/29/2016	Pivotal Research Group	Buy	\$32.00	23.0%	6/6/2016	Barrington Research	Outperform	\$27.00	27.1%	
4/29/2016	Morgan Stanley	Equal-weight	\$27.00	3.8%	5/27/2016	Goldman Sachs	Neutral	\$24.00	12.9%	
4/29/2016	Deutsche Bank	Buy	\$47.00	80.7%	5/27/2016	RBC Capital Markets	Sector Perform	\$23.00	8.2%	
4/29/2016	FBN Securities	Outperform	\$35.38	36.0%	5/27/2016	Jefferies	Buy	\$29.00	36.5%	
4/29/2016	FBR & Co.	Market Perform	\$26.00	(0.0%)	5/27/2016	Cowen and Company	Market Perform	\$22.00	3.5%	
4/29/2016	Drexel Hamilton	Hold	\$27.50	5.7%	5/26/2016	Topeka Capital Markets	Buy	\$40.00	88.2%	
4/28/2016	Pacific Crest Securities	Sector Weight	\$26.00	(0.0%)	5/26/2016	JP Morgan	Overweight	\$26.00	22.4%	
Average					B					A/B
Median					D					C/D
			A \$31.29	20.3%				\$28.00	31.8%	1.12x
			C \$29.50	13.4%				\$27.00	27.1%	1.09x

Note: Current price as of 6/13/2016.
Source: Wall Street Research, Capital IQ.

Saturn Preliminary WACC Analysis

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PRELIMINARY DRAFT

(\$ in millions)

Comparable Companies	Levered Beta ¹	Total Net Debt	Fully Diluted Equity Value	Net Debt / Equity	Net Debt / Total Cap.	Tax Rate	Unlevered Beta
Saturn	0.951	\$1,110	\$2,688	41.3%	29.2%	35.0%	0.75
Discovery	1.071	7,609	16,205	47.0%	32.0%	38.0%	0.83
Scripps	1.008	3,495	8,154	42.9%	30.0%	38.0%	0.80
AMC Networks	1.041	2,336	4,470	52.3%	34.3%	38.0%	0.79
Average	1.018	\$3,638	\$7,879	45.9%	31.4%	37.3%	0.79
Median	1.025	\$2,916	\$6,312	44.9%	31.0%	38.0%	0.79

Market Inputs	
Risk Free Rate	2.01%
Market Risk Premium	7.00%
Size Premium	1.65%

Saturn Cost of Debt	
Estimated Pre-Tax Cost of Debt	4.25%
Tax Rate	35.00%
After-Tax Cost of Debt	2.77%

Saturn Cost of Equity	
Risk Free Rate	2.01%
Unlevered Beta	0.79
Levered Beta	0.99
Market Risk Premium	7.00%
Size Premium	1.65%
Saturn Cost of Equity	10.62%

Saturn Weighted Average Cost of Capital	
Saturn Debt to Capitalization ¹	28.26%
Saturn Equity to Capitalization	71.74%
Weighted Average Cost of Debt	0.78%
Weighted Average Cost of Equity	7.62%
Saturn WACC	8.40%

Source: Public filings, Ibbotson, Bloomberg as of 6/13/2016.

¹ Debt to capitalization based on management guided future Net Debt to OIBDA target of 2.5x.

Preliminary WACC Analysis

PRIVATE AND CONFIDENTIAL
PRELIMINARY DRAFT

(\$ in millions)

Comparable Companies	Levered Beta ¹	Total Net Debt	Fully Diluted Equity Value	Net Debt / Equity	Gross Debt / Total Cap.	Tax Rate	Unlevered Beta
██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Walt Disney	1.027	16,126	160,709	10.0%	9.1%	38.0%	0.97
Time Warner	0.800	22,448	58,932	38.1%	27.6%	38.0%	0.65
Twenty-First Century Fox	1.099	14,752	55,304	26.7%	21.1%	38.0%	0.94
Viacom	1.318	12,768	16,678	76.6%	43.4%	38.0%	0.89
Average	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Median	██████████	██████████	██████████	██████████	██████████	██████████	██████████

Market Inputs	
Risk Free Rate	2.01%
Market Risk Premium	7.00%
Size Premium	(0.32%)
Cost of Debt	
Estimated Pre-Tax Cost of Debt	██████████
Tax Rate	██████████
After-Tax Cost of Debt	██████████
Cost of Equity	
Risk Free Rate	██████████
Unlevered Beta	██████████
Levered Beta	██████████
Market Risk Premium	██████████
Size Premium	██████████
Cost of Equity	██████████

Weighted Average Cost of Capital	
Debt to Capitalization ¹	██████████
Equity to Capitalization	██████████
Weighted Average Cost of Debt	██████████
Weighted Average Cost of Equity	██████████
WACC	██████████

Source: Public filings, Bloomberg as of 6/13/2016, Ibbotson
¹ Debt to capitalization based on management guided future Net Debt to OIBDA target of between 2.50x and 2.75x

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Appendix B: Differential Consideration

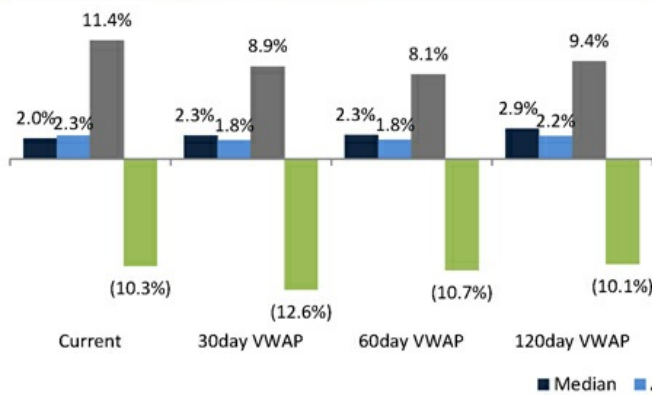
Public Trading – Market Premium

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PRELIMINARY DRAFT

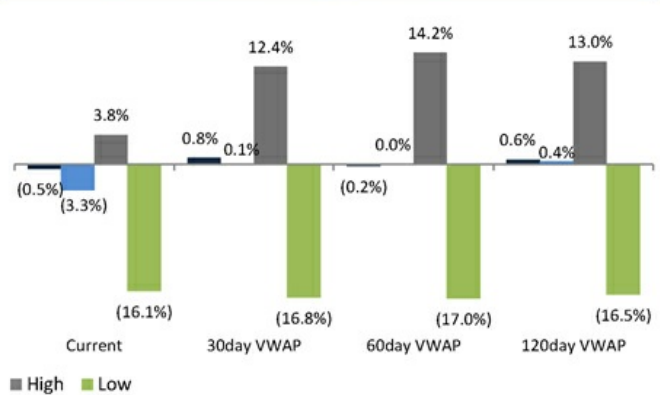
Analysis Description

- An analysis of 21 companies with differential voting rights for stock classes shows that there is typically a market premium attached to stock classes with greater voting rights.
- Analysis Criteria
 - Primary and secondary listings on major US exchanges
 - Industry classification of media or information technology or telecommunication services (TMT)

Market Premium for Vote over No-Vote¹



Market Premium for High Vote over Low Vote²



■ Median ■ Average ■ High ■ Low

Screening criteria of companies in TMT sector with differential voting rights for primary and secondary listings on major US stock exchanges.

¹Vote over No-Vote companies: Google, Bel Fuse, [REDACTED], Discovery, Liberty Broadband, News Corporation, Radio One, Reading International, The Liberty Braves, Liberty Media, The Liberty SiriusXM Group, Twenty-First Century Fox, Viacom, Zillow

²High Vote over Low Vote companies: Discovery Communications, Gray Television, John Wiley & Sons, Liberty TripAdvisor Holdings, QAD, Saturn

Source: Capital IQ as of June 13, 2016.

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Public Trading – Market Premium Detail

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Comparing Vote to No Vote			Market Premium / (Discount)			
Company Name	Current Price		Vote to Non Vote			
	High Vote	No Vote	Current	30day VWAP	60day VWAP	120day VWAP
Alphabet Inc.	\$731.88	\$718.27	1.9%	1.9%	2.1%	2.5%
Bel Fuse Inc.	\$15.55	\$17.33	(10.3%)	(12.6%)	(10.7%)	(10.1%)
██████████	██████████	██████████	██████████	██████████	██████████	██████████
Discovery Communications, Inc.	\$25.97	\$24.82	4.6%	4.0%	3.2%	3.4%
Liberty Broadband Corporation	\$58.44	\$58.99	(0.9%)	0.0%	0.1%	0.2%
News Corporation	\$11.78	\$11.55	2.0%	3.3%	3.6%	4.3%
Radio One Inc.	\$2.82	\$2.72	3.7%	(1.3%)	(1.6%)	0.8%
Reading International, Inc.	\$12.59	\$12.50	0.7%	2.4%	1.8%	(1.4%)
The Liberty Braves Group	\$14.79	\$14.50	2.0%	3.1%	3.3%	3.3%
The Liberty Media Group	\$18.56	\$18.12	2.4%	2.2%	2.3%	2.3%
The Liberty SiriusXM Group	\$32.60	\$30.75	6.0%	4.1%	4.3%	4.3%
Twenty-First Century Fox, Inc.	\$28.98	\$28.91	0.2%	0.8%	0.2%	0.4%
Viacom, Inc.	\$45.94	\$41.24	11.4%	8.9%	8.1%	9.4%
Zillow Group, Inc.	\$32.62	\$32.71	(0.3%)	1.6%	2.3%	3.9%
Low	██████████	██████████	██████████	██████████	██████████	██████████
Median	██████████	██████████	██████████	██████████	██████████	██████████
Average	██████████	██████████	██████████	██████████	██████████	██████████
High	██████████	██████████	██████████	██████████	██████████	██████████

Comparing High Vote to Low Vote			Market Premium / (Discount)			
Company Name	Current Price		High Vote to Low Vote			
	High Vote	Low Vote	Current	30day VWAP	60day VWAP	120day VWAP
Discovery Communications, Inc.	\$26.05	\$25.97	0.3%	0.7%	0.3%	0.4%
Gray Television, Inc.	\$11.05	\$10.65	3.8%	12.4%	14.2%	13.0%
John Wiley & Sons Inc.	\$48.50	\$51.84	(6.4%)	(1.4%)	(1.1%)	(1.5%)
Liberty TripAdvisor Holdings, Inc.	\$22.47	\$22.65	(0.8%)	4.7%	4.6%	6.3%
QAD Inc.	\$16.07	\$19.15	(16.1%)	(16.8%)	(17.0%)	(16.5%)
Saturn	\$25.94	\$26.01	(0.3%)	1.0%	(0.7%)	0.9%
Low	██████████	██████████	(16.1%)	(16.8%)	(17.0%)	(16.5%)
Median	██████████	██████████	(0.5%)	0.8%	(0.2%)	0.6%
Average	██████████	██████████	(3.3%)	0.1%	0.0%	0.4%
High	██████████	██████████	3.8%	12.4%	14.2%	13.0%

Source: Capital IQ as of June 13, 2016 and company filings or investor relations.

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Precedent Transactions - Differential Consideration

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PRELIMINARY DRAFT

(\$ in millions)

Analysis Description

- Of 58 transactions with classes of stock with unequal voting since 2008, 3 transactions resulted in the high vote class receiving a premium for their shares
 - Analysis Criteria
 - All publicly announced transactions with a US or non-US public target and at least one SEC filer participant
 - Deals valued over \$100 million
 - Announced since 2008
 - Target with classes of stock with unequal voting
- Plus, select additional pre-2008 transactions that resulted in differential consideration for unequal voting classes of stock

Differential Consideration Transaction Detail

Ann. Date	Target	Acquiror	Trx. Equity Value	% High Vote Voting	Ownership Economic	High Vote to Low Vote Premium	Total Premium Consid. as % of	
							Total Consid.	Low Vote Consid.
Feb-13	Assisted Living Concepts, Inc.	TPG	\$279	59.0%	12.6%	7.5%	0.9%	1.1%
Dec-11	Delphi Financial Group, Inc.	Tokio Marine Holdings, Inc.	2,743	49.9%	12.3%	20.1%	2.4%	2.8%
Sep-09	Affiliated Computer Services, Inc.	Xerox Corporation	6,467	41.2%	6.6%	74.2%	4.6%	5.2%
Nov-04	Robert Mondavi Corporation	Constellation Brands, Inc.	1,031	83.4%	36.9%	16.5%	5.2%	8.3%
Feb-00	SFX Entertainment	Clear Channel Communications, Inc.	3,378	28.4%	3.8%	66.7%	2.5%	2.6%
Mar-99	Century Communications Corp.	Adelphia Communications Corporation	3,597	92.3%	54.5%	9.1%	4.7%	10.9%
Jun-98	Tele-Communications Inc. ¹	AT&T Corp.	36,023	56.8%	11.6%	10.0%	1.1%	1.3%
Aug-97	SFX Broadcasting, Inc.	Capstar Broadcasting Partners Inc. / Hicks, Muse, Tate & Furst, Inc.	1,108	49.3%	8.1%	30.0%	2.4%	2.6%
Aug-96	Home Shopping Network, Inc.	Silver King Communications, Inc.	1,197	74.3%	22.4%	20.0%	4.3%	5.8%
					Low	7.5%	0.9%	1.1%
					Median	20.0%	2.5%	2.8%
					Mean	28.2%	3.1%	4.5%
					High	74.2%	5.2%	10.9%
					Satellite Offer	10.0%	0.9%	1.1%

¹ TCI Group Series A and Series B consideration (excludes TCI Ventures Group and Liberty Media Group tracking stocks).

Source: Dealpoint Data as of 6/10/2016. Public filings.

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Appendix D: Supplemental Combination Analyses

Preliminary [REDACTED] + Saturn – 100% Stock

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PRELIMINARY DRAFT

Saturn Mngmt. Case & [REDACTED] Wall Street Projections – PENDING SATURN MANAGEMENT APPROVED CASE

(\$ in millions, except per share values) | Calendar Years Ended 12/31 | Excludes Synergies

	Saturn @ Market	\$33 Fixed Offer; 10% B Premium			0.60x Exchange Offer; 10% B Premium		
		[REDACTED] @ Market	Saturn @ Offer	Pro Forma	[REDACTED] @ Market	Saturn @ Offer	Pro Forma
Low Vote Share Price	\$26.01	[REDACTED]	\$33.00	[REDACTED]	[REDACTED]	\$31.27	[REDACTED]
% Premium to Market	0.0%	[REDACTED]	26.9%	[REDACTED]	[REDACTED]	20.2%	[REDACTED]
High Vote Share Price	\$25.94	[REDACTED]	\$36.30	[REDACTED]	[REDACTED]	\$34.39	[REDACTED]
% Premium to Market	0.0%	[REDACTED]	39.9%	[REDACTED]	[REDACTED]	32.6%	[REDACTED]
% Premium to A Shares	(0.3%)	[REDACTED]	10.0%	[REDACTED]	[REDACTED]	10.0%	[REDACTED]
TSM Share Count	103.4	[REDACTED]	104.8	[REDACTED]	[REDACTED]	104.5	[REDACTED]
Equity Value	\$2,688	[REDACTED]	\$3,489	[REDACTED]	[REDACTED]	\$3,297	[REDACTED]
Plus: Total Debt	\$1,120	[REDACTED]	\$1,120	[REDACTED]	[REDACTED]	\$1,120	[REDACTED]
Less: Cash	(10)	[REDACTED]	(10)	[REDACTED]	[REDACTED]	(10)	[REDACTED]
Plus/Less: Minority Interest / (Unconsol. Asset)	(25)	[REDACTED]	(25)	[REDACTED]	[REDACTED]	(25)	[REDACTED]
Total Enterprise Value	\$3,772	[REDACTED]	\$4,574	[REDACTED]	[REDACTED]	\$4,382	[REDACTED]
Financials							
2016E Post-SBC OIBDA	\$460	[REDACTED]	\$460	[REDACTED]	[REDACTED]	\$460	[REDACTED]
2017E Post-SBC OIBDA	511	[REDACTED]	511	[REDACTED]	[REDACTED]	511	[REDACTED]
2016E Net Income	\$247	[REDACTED]	\$247	[REDACTED]	[REDACTED]	\$247	[REDACTED]
2017E Net Income	287	[REDACTED]	287	[REDACTED]	[REDACTED]	287	[REDACTED]
Valuation							
Enterprise Value / 2016E Post-SBC OIBDA	8.2x	9.2x	9.9x	[REDACTED]	9.2x	9.5x	[REDACTED]
Enterprise Value / 2017E Post-SBC OIBDA	7.4	9.1	8.9	[REDACTED]	9.1	8.6	[REDACTED]
Equity Value / 2016E Net Income	10.9x	[REDACTED]	14.1x	[REDACTED]	[REDACTED]	13.3x	[REDACTED]
Equity Value / 2017E Net Income	9.3	[REDACTED]	12.1	[REDACTED]	[REDACTED]	11.5	[REDACTED]
Accretion / (Dilution)							
2016E Net Income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2017E Net Income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Leverage							
Total Debt / 2016E Pre-SBC OIBDA	2.3x	2.3x	2.3x	[REDACTED]	2.3x	2.3x	[REDACTED]
Net Debt / 2016E Pre-SBC OIBDA	2.3	2.2x	2.3x	[REDACTED]	2.2x	2.3x	[REDACTED]
Economic Ownership							
[REDACTED]	0.0%	100.0%	0.0%	87.3%	100.0%	0.0%	88.0%
Saturn	100.0%	0.0%	100.0%	12.7%	0.0%	100.0%	12.0%

Note: Prices as of 6/13/2016.

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Preliminary Luna + Saturn - \$20 Cash + 0.566 Luna Shares

PRELIMINARY DRAFT

Saturn Mngmt. Case & Luna Mngmt. Case - PENDING SATURN MANAGEMENT APPROVED CASE

(\$ in millions, except per share values) | Calendar Years Ended 12/31 | Excludes Synergies

	Saturn Market	\$20 Cash + 0.566 Luna Shares; 10% B Premium					\$20 Cash + 0.566 L Shares; 10% B Prem. 10% No Vote Disc.				
		Luna @ Market ¹	Saturn @ Lunar Offer	Saturn Trx. Adj.	Equity Issuance	Pro Forma	Luna @ 5% Non-Vote Disc.	Saturn @ Offer	Saturn Trx. Adj.	Equity Issuance	Pro Forma
Low Vote Share Price	\$26.01	\$21.25	\$32.03				\$20.25				
% Premium to Market	0.0%	0.0%	23.1%				(4.7%)				
High Vote Share Price	\$25.94	\$21.25	\$35.23				\$22.27				
% Premium to Market	0.0%	0.0%	35.8%				4.8%				
% Premium to A Shares	(0.3%)	0.0%	10.0%				10.0%				
TSM Share Count	103.4	148.9	104.6				148.9				
Equity Value	\$2,688	\$3,164	\$3,381	(\$2,171)	\$500		\$3,164		(\$2,166)	\$500	
Plus: Total Debt	\$1,120	\$846	\$1,120	\$2,012	(\$500)		\$846		\$2,010	(\$500)	
Less: Cash	(10)	(58)	(10)	--	--		(58)		--	--	
Plus/Less: MI / (UA) / (NPV Tax Benefit)	(25)	(1,177)	(25)	--	--		(1,177)		--	--	
Less: Saturn Minority Stake	--	(159)	--	159	--		(156)		156	--	
Total Enterprise Value	\$3,772	\$2,616	\$4,466	\$0			\$2,618		\$0		
Financials											
2016E Net Income	\$247	\$38	\$247	(\$92)			\$38		(\$92)		
2017E Net Income	287	124	287	(\$92)			124		(\$92)		
Valuation											
Enterprise Value / 2016E Post-SBC OIBDA	8.2x	40.4x	9.7x				40.4x				
Enterprise Value / 2017E Post-SBC OIBDA	7.4	18.5	8.7				18.5				
Equity Value / 2016E Net Income	10.9x	82.9x	13.7x				82.9x				
Equity Value / 2017E Net Income	9.3	25.6	11.8				25.6				
Accretion / (Dilution)											
2016E Net Income											
2017E Net Income											
Leverage											
Total Debt / 2016E Pre-SBC OIBDA	2.3x	5.3x	2.3x				5.3x				
Net Debt / 2016E Pre-SBC OIBDA	2.3	4.9x	2.3x				4.9x				
Economic Ownership											
	0.0%	100.0%	0.0%				64.9%	100.0%	0.0%		64.6%
Third Party Investors	0.0%	0.0%	0.0%				10.3%	0.0%	0.0%		10.7%
Saturn	100.0%	0.0%	100.0%				24.8%	0.0%	100.0%		24.7%

Note: Assumes 6% external interest rate on new debt and 15% tax rate. Assumes incremental 2% tax rate on Saturn debt and 19% tax rate. Prices as of 6/13/2016.
¹ Luna unconsolidated investment in Saturn valued at offer valuation.

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Project Galaxy

Presentation to the Special Committee

June 22, 2016

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Project Galaxy

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Luna Deal Overview

Current Luna Proposal	<ul style="list-style-type: none"> • Saturn Series A consideration of: <ul style="list-style-type: none"> – \$18.00 per share in cash and – 0.6784 shares of newly created Luna non-voting common stock – Implied total value of: \$31.60 - \$31.94 (0% - 5% PF Luna High Vote / PF Luna No Vote Premium) <ul style="list-style-type: none"> ▪ ~56-57% cash consideration / ~43-44% stock consideration • Saturn Series B consideration of: <ul style="list-style-type: none"> – \$7.26 per share in cash – 0.6321 shares of newly created Luna non-voting common stock and – 0.6321 shares of newly created Luna voting common stock – Implied total value of: \$33.24 <ul style="list-style-type: none"> ▪ ~4 – 5% Premium to Saturn Series A consideration ▪ ~22% cash consideration / ~78% stock consideration
Luna Share Reclassification	<ul style="list-style-type: none"> • Luna to convert each existing Luna common share for (i) 0.5 share of voting common stock and (ii) 0.5 share of non-voting common stock
Luna Financing	<ul style="list-style-type: none"> • Luna to finance the transaction with \$3.75bn of newly issued debt (expected to be comprised of \$150mm of drawn Revolving Credit Facility (of \$1.0bn available), \$1.0bn Term Loan A, \$1.9bn Term Loan B, and \$650mm Senior Notes / Bridge Facility) <ul style="list-style-type: none"> – Debt will be used to finance the cash consideration of the deal and refinance Luna and Saturn's balance sheets • The proposal is expected to be fully financed
Saturn Stockholder Approval	<ul style="list-style-type: none"> • Statutory stockholder vote to approve merger (majority of voting power of Saturn Series A and Series B common stock voting together as a single class) • No separate vote of holders of Saturn Series A common stock • Voting agreement from Dr. M, Bennett, and Luna to vote in favor of the transaction (subject to aggregate 34.9% cap) <ul style="list-style-type: none"> ▪ Dr. M, Luna, and Bennett together control greater than 50% of total Saturn voting power
Buyer Stockholder Approval	<ul style="list-style-type: none"> • Statutory stockholder vote to approve Luna share reclassification (2/3 of present/voting) • NYSE-required vote to approve share issuance to Saturn shareholders (majority of present/voting)

Luna Deal Overview (Cont'd)

(\$ in millions, except per share data)

Current Luna Proposal		Deal Summary			
				Merger Consideration (0% PF Luna High Vote to PF Luna No Vote Premium)	Merger Consideration (5% PF Luna High Vote to PF Luna No Vote Premium)
▪ Saturn Series A consideration of:					
- \$18.00 per share in cash and					
- 0.6784 shares of newly created Luna non-voting common stock					
- Implied total value of: \$31.60 - \$31.94					
▪ Saturn Series B consideration of:					
- \$7.26 per share in cash and					
- 0.6321 shares of newly created Luna non-voting common stock and					
- 0.6321 shares of Luna voting common stock					
- Implied total value: \$33.24					
• ~4 – 5% Premium to Saturn Series A consideration					
		Market¹			
	Series A (Low Vote) Share Price	\$27.80		\$31.94	\$31.60
	Premium to:	Metric			
	Share Price (6/22/2016)	\$27.80	-	14.9%	13.7%
	1 Week Prior (6/15/2016)	25.99	7.0%	22.9%	21.6%
	30-Day VWAP	26.82	3.6%	19.1%	17.8%
	60-Day VWAP	26.79	3.8%	19.2%	17.9%
	90-Day VWAP	26.42	5.2%	20.9%	19.6%
	LTM High	46.48	(40.2%)	(31.3%)	(32.0%)
	LTM Low	21.51	29.2%	48.5%	46.9%
	LTM Average	32.93	(15.6%)	(3.0%)	(4.0%)
	Undisturbed Price (9/23/2014)	29.58	(6.0%)	8.0%	6.8%
	Undisturbed Period Avg. (1/14/13 - 9/23/14)	26.57	4.6%	20.2%	19.0%
	Series B (High Vote) Share Price	\$27.71		\$33.24	\$33.24
	Implied Equity Value	\$2,883		\$3,353	\$3,319
	Plus: Total Debt	1,129		1,129	1,129
	Less: Cash	(10)		(10)	(10)
	Less: Unconsolidated Assets ²	(25)		(25)	(25)
	Total Enterprise Value	\$3,977		\$4,447	\$4,413
	Management Estimates:				
	Pre-SBC OIBDA			TEV / OIBDA Multiple	
	LTM	\$433	9.2x	10.3x	10.2x
	2016E	490	8.1	9.1	9.0
	2017E	543	7.3	8.2	8.1
	Post-SBC OIBDA			TEV / OIBDA Multiple	
	LTM	\$400	9.9x	11.1x	11.0x
	2016E	460	8.7	9.7	9.6
	2017E	511	7.8	8.7	8.6

Source: Trading values per Capital IQ as of 6/22/2016.

¹ Market illustrates premiums and multiples at current share price as of 6/22/2016.

² Unconsolidated assets consisting of ownership in Playco.

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- I. Saturn – Stock Price & Shareholder Summary
- II. Saturn – Financial Projections
- III. Saturn – Standalone Valuation

- IV. Luna – Company Overview
- V. Luna – Standalone Valuation
- VI. Luna – Combination Analysis

Appendix A: Dual Class Consideration

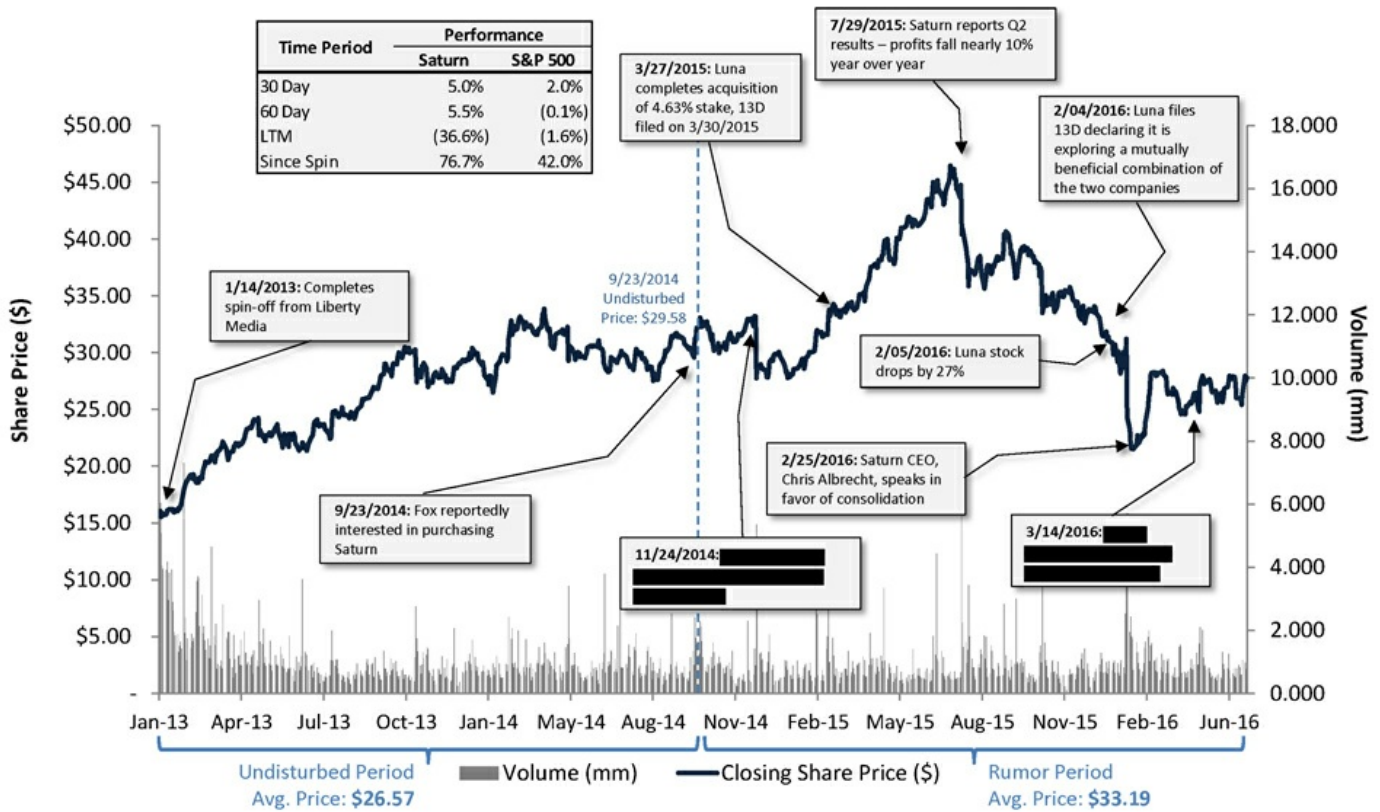
Appendix B: Supplemental Valuation Material

Appendix C: Synergy Analyses

I. Saturn – Stock Price & Shareholder Summary

Annotated Stock Price Performance

Series A Shares – Since Saturn Spin-off



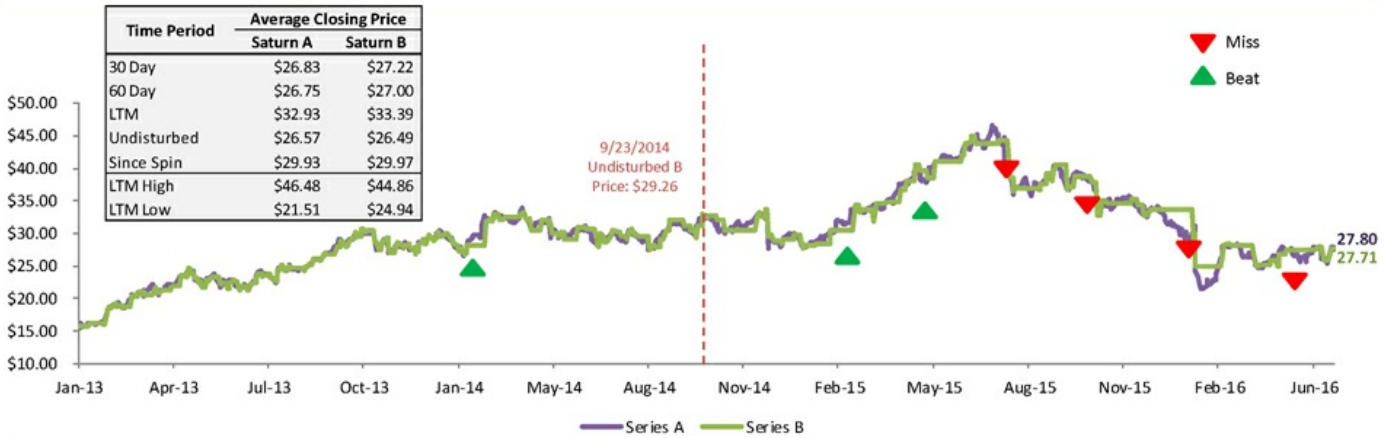
Source: Capital IQ as of 6/22/2016. Comments per publicly available information.

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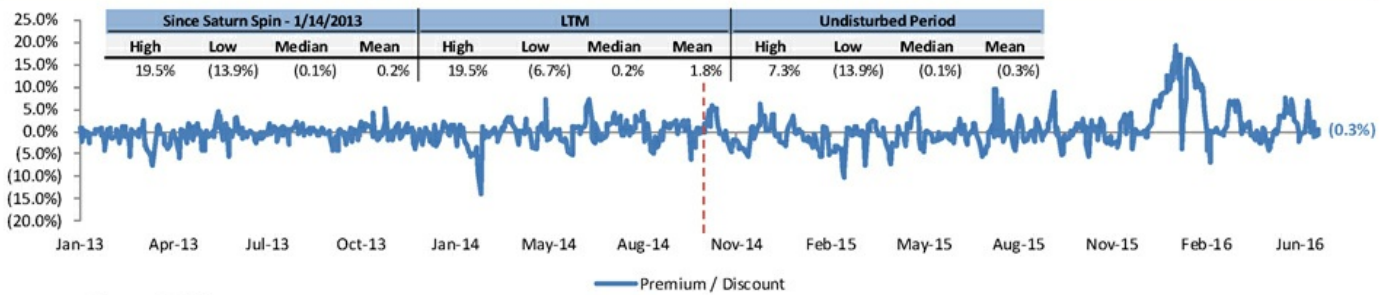
Saturn Stock Price Performance

Since Saturn Spin-off
(\$ per share)

Series A and Series B Share Price Since January 14, 2013



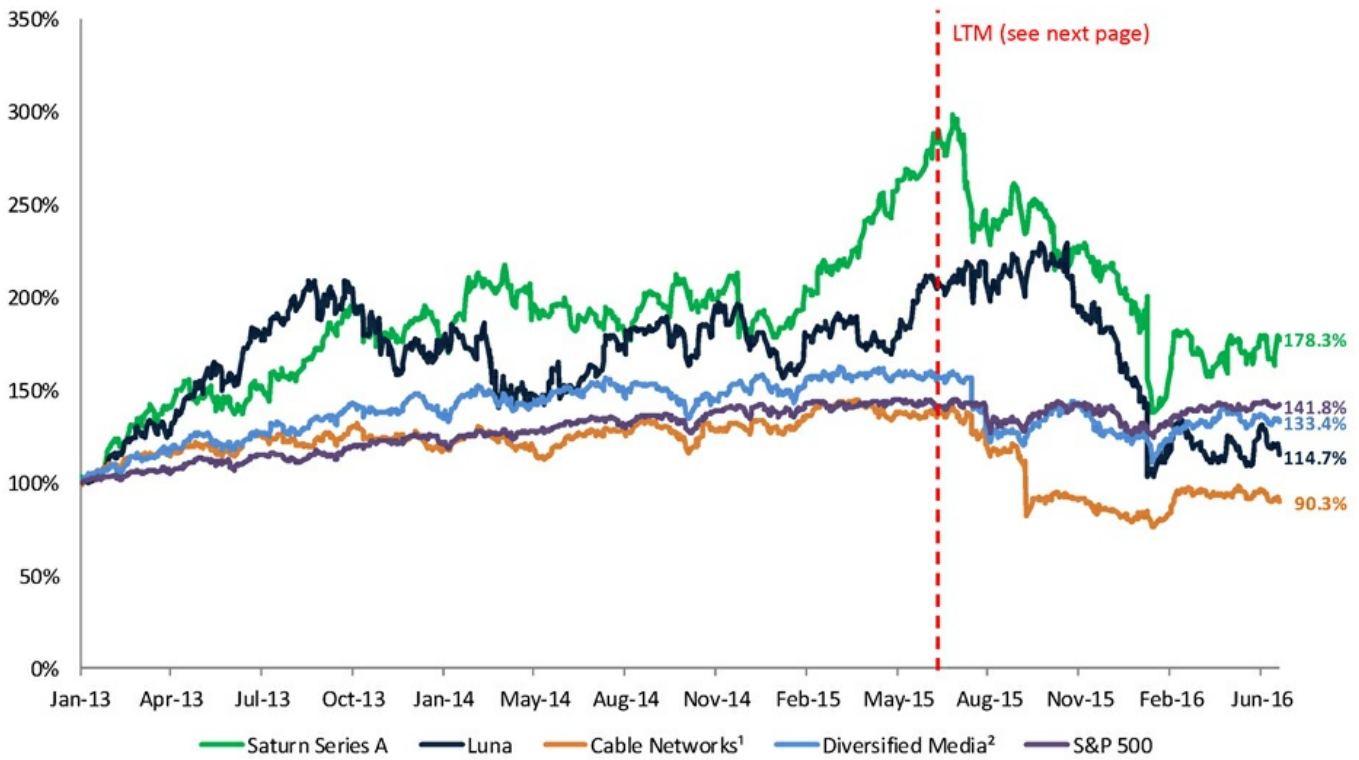
Daily Premium / Discount of Series B Share Price to Series A Share Price



Source: Capital IQ as of 6/22/2016.

Relative Stock Price Performance Since Spin

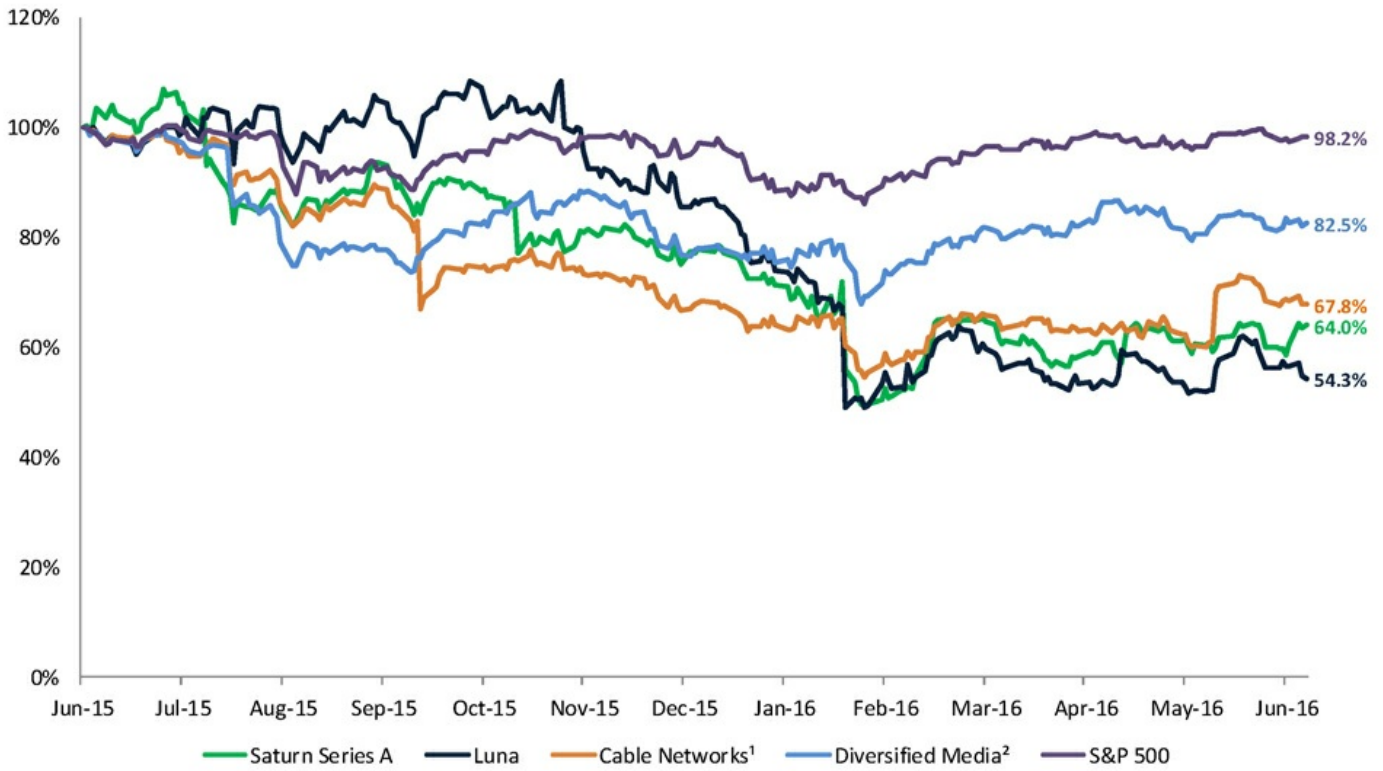
Saturn Series A and Luna vs. Industry Peers and S&P 500 Index



Source: Capital IQ as of 6/22/2016.
¹ AMC Networks, MSG Networks, Scripps, Discovery.
² Time Warner, Fox, Disney, Viacom, CBS.

LTM Relative Stock Price Performance

Saturn Series A and Luna vs. Industry Peers and S&P 500 Index

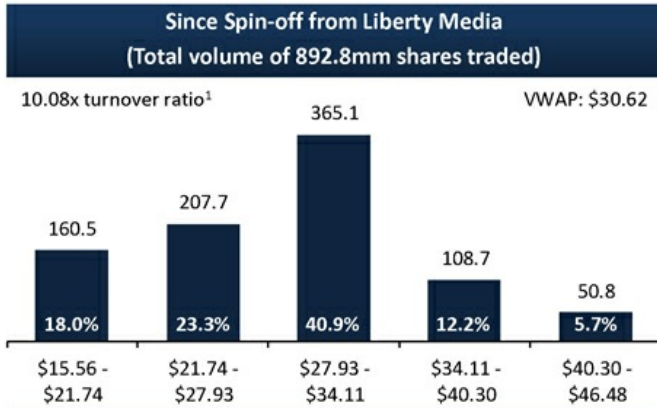


Source: Capital IQ as of 6/22/2016.
¹ AMC Networks, MSG Networks, Scripps, Discovery.
² Time Warner, Fox, Disney, Viacom, CBS.

Recent Trading Activity by Volume

Represents Series A Shares

(\$ per share, units in millions)



Source: Capital IQ as of 6/22/2016.

¹ Turnover ratio reflects total volume of shares traded in period over total Common Series A Shares outstanding.

Saturn Wall Street Research Views

PRIVATE AND CONFIDENTIAL

Analyst Targets

Date	Firm	Valuation		Rating	Target Price	% Premium to	
		Methodology	Multiple Year			Current	Publish Day
4/29/2016	Deutsche Bank	Blended ¹		Buy	\$47.00	69.1%	89.4%
4/29/2016	FBN Securities	DCF		Outperform	\$35.38	27.3%	42.5%
4/29/2016	Evercore ISI	DCF		Buy	\$33.00	18.7%	33.0%
4/29/2016	Pivotal Research Group	OIBDA Multiple	CY2016	Buy	\$32.00	15.1%	28.9%
5/2/2016	CLSA	P/FCF Multiple	CY2017	Outperform	\$31.00	11.5%	13.9%
5/1/2016	Macquarie	OIBDA Multiple	CY2017	Neutral	\$28.00	0.7%	2.9%
4/29/2016	Drexel Hamilton	OIBDA Multiple	N/A	Hold	\$27.50	(1.1%)	10.8%
4/29/2016	Morgan Stanley	P/FCF Multiple	CY2020	Equal-weight	\$27.00	(2.9%)	8.8%
4/29/2016	FBR & Co.	OIBDA Multiple	CY2016	Market Perform	\$26.00	(6.5%)	4.8%
4/28/2016	Pacific Crest Securities	OIBDA Multiple	NTM	Sector Weight	\$26.00	(6.5%)	4.8%
Average					\$31.29	12.5%	24.0%
Median					\$29.50	6.1%	12.4%
Current Trading Price					\$27.80		

Source: Wall Street Research and Bloomberg. Current trading price as of 6/22/2016.

¹ Blended valuation methodology of DCF and M&A.

Saturn Shareholder Summary

- Holders of Series A and Series B shares are entitled to 1 and 10 votes per share, respectively
- Upon completion of the Q1 2015 share swap, Luna granted an irrevocable proxy to affiliates of Dr. Malone to vote 2,118,038 shares of Series A common stock and 2,590,597 shares of Series B common stock in matters submitted to a vote of Saturn's shareholders, other than for proposals related to extraordinary transactions, including business combinations, or proposals related to the issuance or sale of securities
- Therefore, Dr. Malone controls 48% of the shareholder vote on an election of directors and 33% of the vote on the proposals related to extraordinary transactions or the issuance or sale of securities, while only maintaining a 6% economic ownership stake

Shareholder	Series (Shares)		Series (Economic %)		Series (Voting %)	
	A	B	A	B	A	B
Fidelity Management & Research Company	12,403,384		12.6%		6.6%	
ClearBridge Investments	6,340,512		6.4%		3.4%	
The Vanguard Group	5,812,056		5.9%		3.1%	
Horizon Kinetics	5,024,545		5.1%		2.7%	
BlackRock Institutional Trust Company	2,861,434		2.9%		1.5%	
Boston Partners	2,325,745		2.4%		1.2%	
Luna	2,118,038	2,590,597	2.2%	2.6%	1.1%	13.8%
Gregory B Maffei	1,822,456		1.9%		1.0%	
York Capital Management	1,445,947		1.5%		0.8%	
Pinnacle Associates	1,356,995		1.4%		0.7%	
TIAA Global Asset Management	1,355,329		1.4%		0.7%	
Fidelity Institutional Asset Management	1,343,618		1.4%		0.7%	
Voya Investment Management	1,308,102		1.3%		0.7%	
State Street Global Advisors (US)	1,128,138		1.1%		0.6%	
Columbia Wanger Asset Management	1,071,259		1.1%		0.6%	
Two Sigma Investments	1,052,378		1.1%		0.6%	
Ratan Capital Management	985,860		1.0%		0.5%	
Norges Bank Investment Management	891,883		0.9%		0.5%	
John Malone	136,537	6,186,729	0.1%	6.3%	0.1%	33.1%
Other	37,790,196	1,080,990	38.4%	1.1%	20.2%	5.8%
Total	88,574,412	9,858,316	90.0%	10.0%	47.3%	52.7%

Source: Company filings, Thomson One, as of 6/10/2016.

Note: Share ownership percentages reflect percent of common shares outstanding (excluding dilutive securities).

II. Saturn – Financial Projections

Saturn Financial Summary

Saturn Management Model

(\$ in millions)

	Actuals			Management Model			Mgmt. Extrapolation		Commentary
	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E	
Revenue									
1 Networks ¹	\$1,298	\$1,312	\$1,324	\$1,389	\$1,484	\$1,561	\$1,623	\$1,688	1 ██████████
2 Distribution ¹	450	322	354	315	311	311	311	311	2 ██████████
3 Animation	32	32	25	0	0	0	0	0	3 ██████████
Eliminations	(2)	(1)	(3)	(4)	(7)	(5)	(5)	(5)	██████████
Total Revenue	\$1,778	\$1,664	\$1,700	\$1,700	\$1,789	\$1,868	\$1,930	\$1,995	2 ██████████
YoY Growth (%)	9.0%	(6.4%)	2.2%	0.0%	5.2%	4.4%	3.3%	3.4%	██████████ and reflects steady state revenue and Adjusted OIBDA; Saturn Originals revenue and adjusted OIBDA based on ultimates
Expenses									
4 Programming	632	598	653	633	665	662	684	707	3 Reduction due to impact of Film Roman sale in 2015
Operating	394	293	300	264	270	266	275	284	4 Programming costs driven by increase in original content production and reduction of costs associated with Disney output deal
Advertising & Marketing	149	144	157	169	177	191	197	204	
General & Administrative	125	127	129	144	134	137	142	146	
Total Expenses	\$1,301	\$1,162	\$1,239	\$1,210	\$1,246	\$1,255	\$1,297	\$1,341	
YoY Growth (%)	(20.2%)	(10.6%)	6.6%	(2.3%)	3.0%	0.7%	3.3%	3.4%	
Pre-SBC OIBDA	\$477	\$502	\$462	\$490	\$543	\$612	\$633	\$654	
% Margin ²	26.8%	30.1%	27.1%	28.8%	30.3%	32.8%	32.8%	32.8%	
YoY Growth (%)	7.2%	5.2%	(8.0%)	6.2%	10.7%	12.9%	3.3%	3.4%	
Stock Based Compensation	34	31	33	31	31	30	31	32	
Post-SBC OIBDA	\$443	\$471	\$429	\$460	\$511	\$582	\$602	\$622	
% Margin ²	24.9%	28.3%	25.2%	27.0%	28.6%	31.2%	31.2%	31.2%	
Free Cash Flow									
Net Income	250	269	236	247	287	341	350	363	
Net Program Amort. / (Payments)	181	167	199	198	338	288	288	288	
Net Film/TV Amort. / (Investments)	(90)	(260)	(194)	(272)	(284)	(288)	(288)	(288)	
D&A & Other	66	80	53	65	59	50	57	58	
Δ Working Capital	(94)	(49)	(44)	3	(47)	(47)	(47)	(47)	
Capital Expenditure	(15)	(11)	(17)	(24)	(19)	(13)	(13)	(13)	
5 Free Cash Flow	\$298	\$195	\$233	\$218	\$335	\$332	\$347	\$361	5 Excludes investment and cash received from equity investee

Source: Company management.

Note: Management provided extrapolation guidance for 2019E and 2020E.

¹ Network revenues grown at 4% year over year. Distribution and eliminations revenues held flat to 2018E.

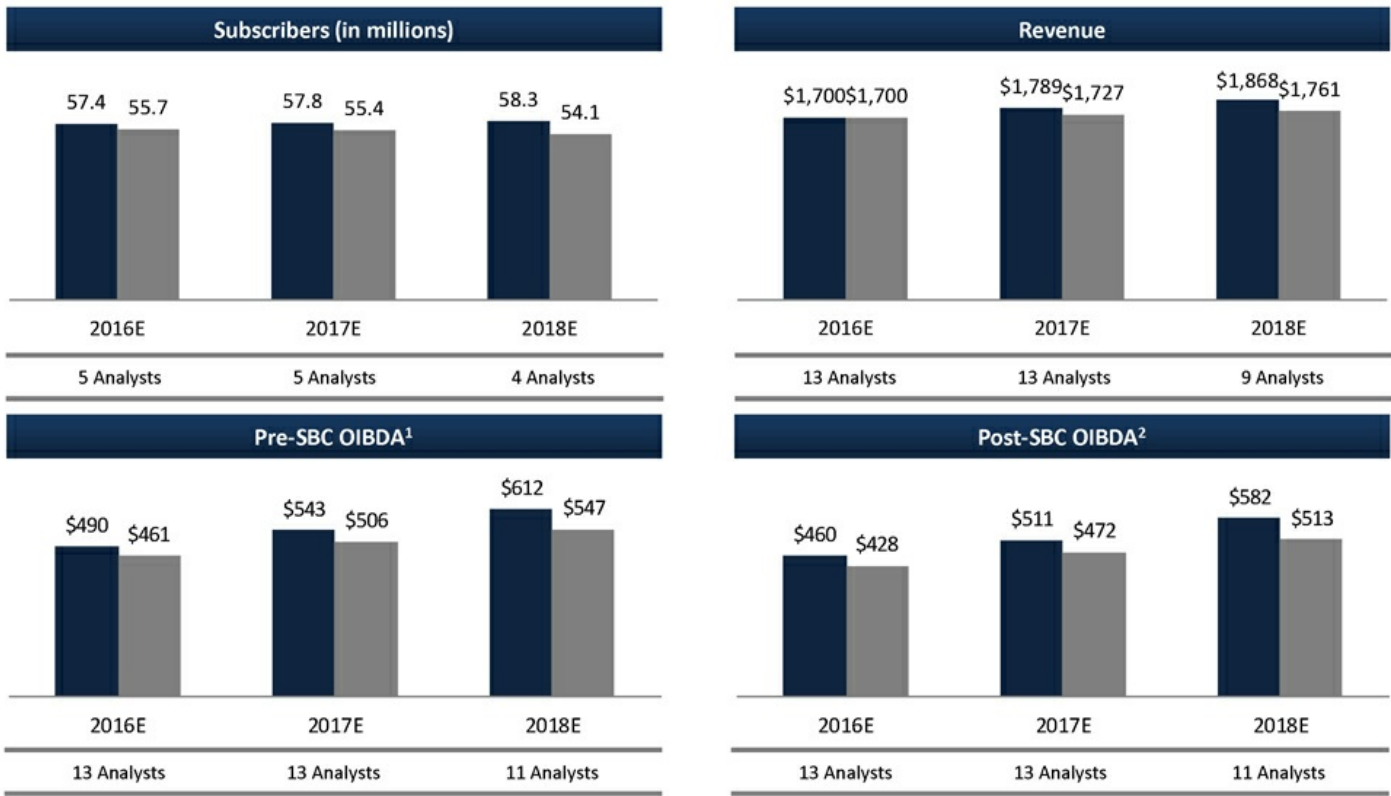
² OIBDA margins held flat to 2018E.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Saturn Financial Projections Comparison

Saturn Management Model vs. Consensus Estimates

(\$ in millions, except subscribers)



Source: Company management, Wall Street Research, Capital IQ.

■ Management Case ■ Consensus Estimates

¹ Consensus estimates per Capital IQ post SBC median and adds back the average of estimates of SBC by Pivotal Research Group, Morgan Stanley, and Evercore of ~\$33.5mm.

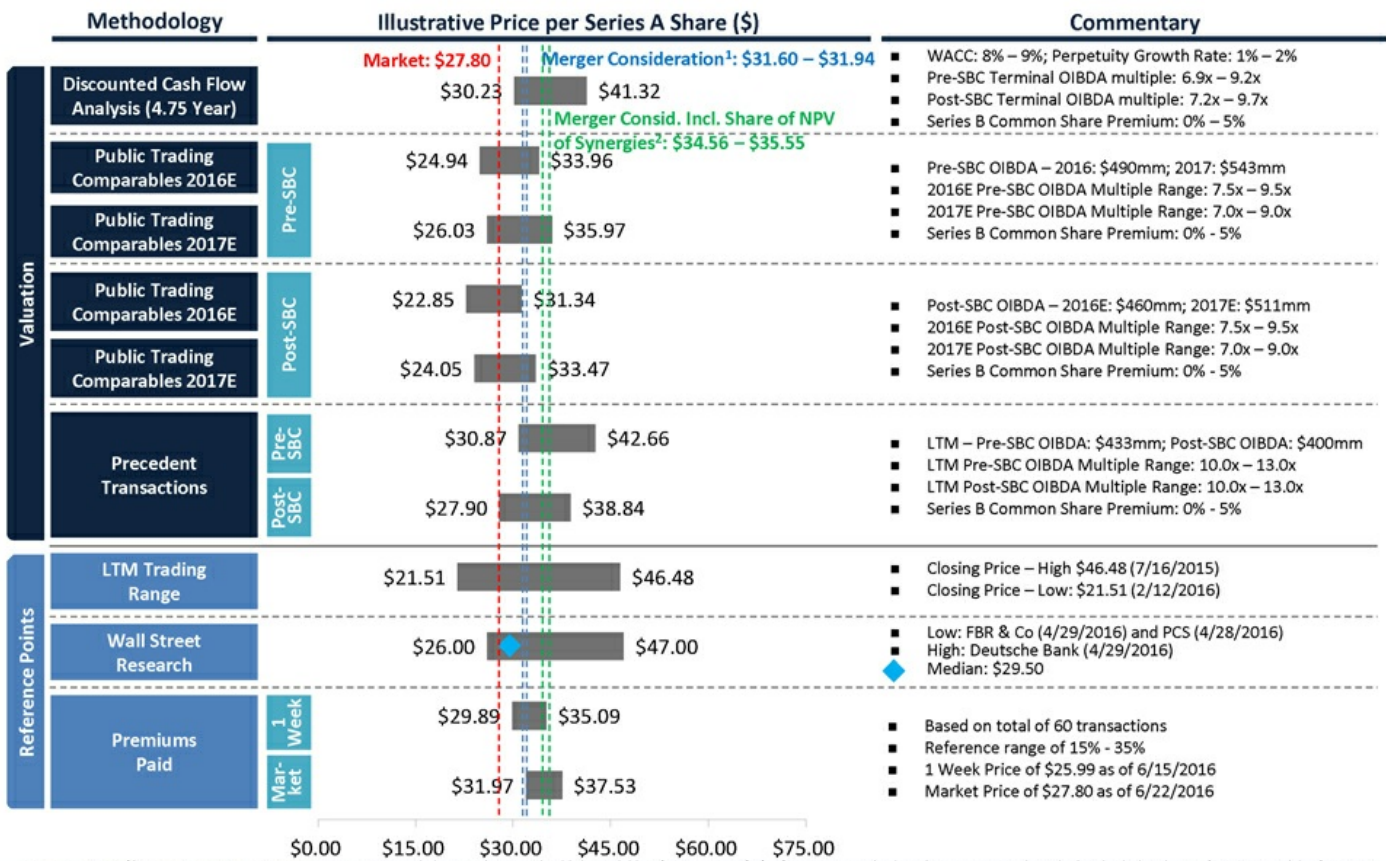
² Consensus estimates per Capital IQ median.

III. Saturn – Standalone Valuation

Saturn Valuation Summary

Saturn Management Projections

Calendar Years Ended 12/31



Source: Company filings, management projections, management guided extrapolation and publicly available information as of 6/22/2016. Equity value based on treasury-stock-method and calculated using \$1,129mm in debt, \$10mm in cash and \$25 mm in unconsolidated Playco assets.

¹ Assumes 0% - 5% High Vote to No Vote premium for Pro Forma Luna shares.

² Assumes 0% - 5% High Vote to No Vote premium for Pro Forma Luna shares, \$50mm of recurring tax synergies, Low Cost Synergies of \$50mm and High Cost Synergies of \$75mm.

Saturn Discounted Cash Flows Analysis

Saturn Management Projections

(\$ in millions, except per share values) | Calendar Years Ended 12/31

Unlevered Free Cash Flow Overview

	Management Model			Management Extrapolation		Terminal Year
	Q2 - Q4 2016E	2017E	2018E	2019E	2020E	
Revenue	\$1,268	\$1,789	\$1,868	\$1,930	\$1,995	\$1,995
% Growth		5.2%	4.4%	3.3%	3.4%	
Pre-SBC OIBDA	\$363	\$543	\$612	\$633	\$654	\$654
% Margin	28.6%	30.3%	32.8%	32.8%	32.8%	
Less: Stock Based Compensation	(22)	(31)	(30)	(31)	(32)	(32)
Post-SBC OIBDA	\$341	\$511	\$582	\$602	\$622	\$622
Less: Other income (expense), net	(12)	(4)	5	0	0	0
Less: D&A	(18)	(24)	(26)	(26)	(26)	(26)
EBIT	\$311	\$484	\$562	\$576	\$596	\$596
Less: Taxes @ 35.0%	(109)	(169)	(197)	(202)	(209)	(209)
Unlevered Net Income	\$202	\$315	\$365	\$375	\$388	\$388
Plus: Other non-op. and non-cash items	22	4	(5)	0	0	0
Plus: D&A	18	24	26	26	26	26
Plus: Content Amort./Investment	(36)	55	0	0	0	0
Less: Capex	(22)	(19)	(13)	(13)	(13)	(26)
Less: Change in Working Capital	30	(47)	(47)	(47)	(47)	(47)
Unlevered Free Cash Flow	\$215	\$331	\$326	\$340	\$354	\$341
% Growth		39.8%	(1.4%)	4.4%	3.9%	

Implied Price per Share¹

Discount Rate	Implied Price per Share (No Series B Premium)					Implied Price per Share (5% Series B Premium)				
	Perpetuity Growth Rate					Perpetuity Growth Rate				
	1.00%	1.25%	1.50%	1.75%	2.00%	1.00%	1.25%	1.50%	1.75%	2.00%
8.00%	\$35.68	\$36.93	\$38.28	\$39.74	\$41.32	\$35.52	\$36.77	\$38.12	\$39.57	\$41.14
8.25%	34.22	35.38	36.63	37.97	39.42	34.07	35.23	36.47	37.80	39.25
8.50%	32.86	33.94	35.09	36.33	37.66	32.71	33.79	34.94	36.17	37.49
8.75%	31.57	32.58	33.66	34.80	36.03	31.43	32.44	33.51	34.65	35.87
9.00%	30.36	31.30	32.31	33.38	34.52	30.23	31.17	32.17	33.24	34.37

Implied Terminal Multiple

Discount Rate	Implied Terminal Multiple ('20E Post-SBC OIBDA)					Implied Terminal Multiple ('20E Pre-SBC OIBDA)				
	Perpetuity Growth Rate					Perpetuity Growth Rate				
	1.00%	1.25%	1.50%	1.75%	2.00%	1.00%	1.25%	1.50%	1.75%	2.00%
8.00%	8.2x	8.5x	8.9x	9.3x	9.7x	7.8x	8.1x	8.5x	8.8x	9.2x
8.25%	7.9	8.2	8.6	8.9	9.3	7.6	7.8	8.2	8.5	8.8
8.50%	7.7	8.0	8.3	8.6	9.0	7.3	7.6	7.9	8.2	8.5
8.75%	7.4	7.7	8.0	8.3	8.6	7.1	7.3	7.6	7.9	8.2
9.00%	7.2	7.5	7.7	8.0	8.3	6.9	7.1	7.4	7.6	7.9

Source: Company management.

Note: Valuation as of 3/31/2016.

¹ Equity value calculated using \$1,129mm in debt, \$10mm in cash and \$25 mm in unconsolidated Playco assets. For illustrative purposes, at a 8.5% WACC and 1.5% perpetuity growth rate, the treasury stock-method fully diluted share count is 105.2mm with no Series B premium and 105.1mm with 5% Series B premium.

Saturn Comparable Companies Analysis

(\$ in millions, except per share values) | Calendar Years Ended 12/31

	Market Valuation				Growth Profile		Key Metrics		Valuation Metrics						Leverage		
	Stock Price ¹	% 52 Week	Equity	Adj. Enterprise	CY2016-CY2018		Post-SBC OIBDA Margin		EV / Pre-SBC OIBDA			EV / Post-SBC OIBDA			Net Debt/LTM		
	6/22/2016	High	Value	Value	Revenue	OIBDA	CY2016	CY2017	LTM	CY2016	CY2017	CY2018	LTM	CY2016	CY2017	CY2018	Pre-SBC OIBDA
Saturn - Management	\$27.80	59.7%	\$2,883	\$3,977	1.9%	9.4%	27.0%	28.6%	9.2x	8.1x	7.3x	6.5x	9.9x	8.7x	7.8x	6.8x	2.8x
Saturn - Consensus	27.80	59.7%	2,883	3,977	1.8%	13.0%	25.3%	27.5%	9.2	8.6	7.8	7.2	10.0	9.3	8.4	7.7	2.8
Luna - Management ^{2,3}	20.55	49.6%	3,143	2,401	1.0%	96.2%	2.4%	5.1%	21.6	14.9	10.6	8.5	65.9	39.6	18.1	11.5	20.2
Luna - Consensus ²	20.55	49.6%	3,143	2,401	4.4%	54.2%	4.1%	8.8%	21.6	13.3	7.5	7.3	61.7	22.9	9.9	9.6	20.2
Cable Networks																	
Discovery	\$ 25.99	74.4%	\$ 16,145	\$ 23,070	6.0%	6.8%	36.4%	36.5%	9.5x	9.4x	8.9x	8.4x	9.7x	9.6x	9.1x	8.6x	3.1x
Scripps	63.42	92.7%	8,224	11,032	4.3%	4.0%	41.1%	41.0%	7.5	7.7	7.4	7.2	7.7	7.9	7.6	7.3	2.4
AMC Networks	58.49	67.1%	4,354	6,751	5.1%	4.4%	32.3%	32.1%	7.5	7.3	6.9	6.7	7.8	7.5	7.1	6.9	2.6
MSG Networks	16.40	19.2%	1,242	2,472	3.8%	4.8%	46.6%	46.6%	5.5	7.8	7.6	7.1	5.7	8.0	7.8	7.3	3.1
Cable Networks Median					4.7%	4.6%	38.7%	38.7%	7.5x	7.8x	7.5x	7.1x	7.7x	8.0x	7.7x	7.3x	2.8x
Diversified Media																	
Walt Disney	\$ 98.79	80.9%	\$ 162,738	\$ 176,982	5.2%	5.6%	30.6%	30.4%	10.3x	9.9x	9.5x	8.9x	10.6x	10.2x	9.7x	9.1x	0.9x
Time Warner	72.44	79.3%	58,365	77,350	5.4%	3.6%	28.2%	28.6%	9.4	9.2	8.5	8.5	9.6	9.4	8.7	8.7	2.7
Twenty-First Century Fox	28.92	83.3%	54,988	59,250	5.8%	8.1%	25.1%	25.4%	9.2	8.1	7.7	7.0	9.3	8.3	7.8	7.1	2.3
Viacom	44.03	65.2%	17,793	28,971	2.4%	0.8%	29.2%	29.9%	7.5	7.5	7.1	7.4	7.7	7.7	7.3	7.6	3.2
CBS	53.65	92.5%	24,915	32,506	2.8%	5.7%	23.6%	23.8%	9.6	9.0	8.8	8.1	10.1	9.5	9.3	8.5	2.3
Diversified Media Median					4.9%	5.1%	28.2%	28.6%	9.3x	8.8x	8.4x	8.1x	9.5x	9.1x	8.6x	8.5x	2.3x

Source: Public filings and Capital IQ as of 6/22/2016.

Note: Unless otherwise noted Adj. Enterprise Value calculated as market capitalization (considering all classes of stock) plus total debt and minority interest less cash and unconsolidated assets.

¹ Stock Price reflects primary stock listing; enterprise value calculation considers all classes of stock.

² Luna debt excludes production loans and excludes in the money convertible debt. Adj. Enterprise Value adjusted for NPV of tax differential of \$520mm and unconsolidated assets of \$1,101mm (see appendix for detail).

³ Source: Luna management projections.

Select Precedent Transactions

U.S. Cable Networks

(\$ in millions)

Announced Date	Target	Acquiror	% Acquired	Implied EV	EV / LTM Revenue	EV / LTM Pre-SBC OIBDA	EV / LTM Post-SBC OIBDA
1/22/2014	Pasiones / Centroamerica TV / TV Dominicana	Hemisphere Media Group	100.0%	\$100	4.3x ¹	8.1x ¹	8.1x ¹
2/12/2013	NBCUniversal	Comcast	49.0%	\$38,936 ²	1.6x ²	9.5x ²	9.5x ²
3/4/2013	Outdoor Channel Holdings Inc.	Kroenke Sports & Entertainment	100.0%	\$208	2.7x ³	16.4x ³	22.8x ³
12/3/2009	NBCUniversal	Comcast	51.0%	\$28,269 ⁴	1.8x ⁴	10.0x ⁴	10.0x ⁴
11/5/2009	Travel Channel	Scrapps Interactive	65.0%	\$975	4.5x ⁵	15.3x ⁵	15.3x ⁵
Average					3.0x	11.9x	13.1x
Median					2.7x	10.0x	10.0x

Source: Filings, Wall Street Research, Publicly Available Information.

¹ Multiples based upon 2013 Revenue and OIBDA.

² Includes adjustments for the Weather Channel and Other unconsolidated investments and third party noncontrolling interests in RSNs per NBCU 2013 10K. Multiples based upon 2012 Revenue and OIBDA.

³ Multiples based upon 2012 Revenue and OIBDA.

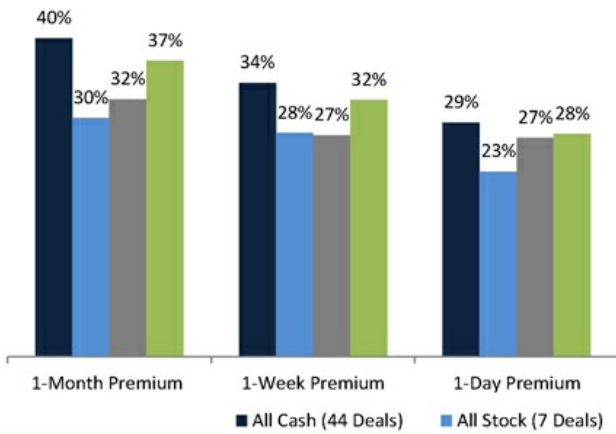
⁴ Includes adjustments for AETN and other unconsolidated investments per DB research 12/11/2009 dated. Multiples based upon 2009 Revenue and OIBDA. SBC data is unavailable for the period.

⁵ Multiples based upon 2009 Revenue and OIBDA.

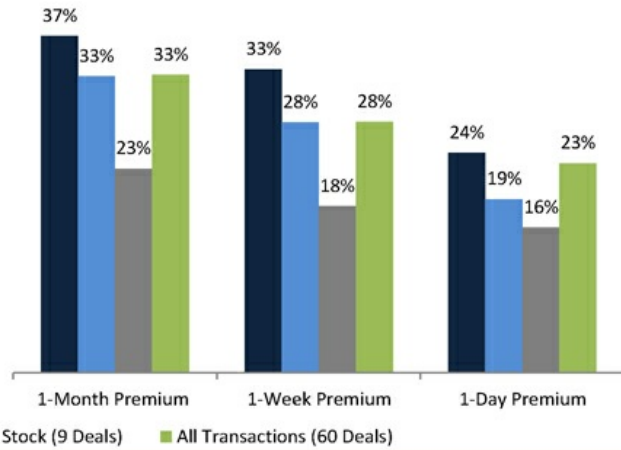
Illustrative Premiums Paid Analysis

Premiums Paid for Transactions with Enterprise Values Between \$1.0bn and \$10.0bn

Average (%)



Median (%)



Analysis Criteria

- All publicly announced transactions with a U.S. Target
- Transaction enterprise value between \$1,000mm and \$10,000mm
- Announced within last 10 years (6/8/2006 to 6/8/2016)
- Premium to unaffected price (adjusted for leaks)
- Excludes financial institutions and real estate transactions
- Excludes transactions marketed as mergers-of-equals

Source: Capital IQ as of 6/10/2016.

IV. Luna – Company Overview

Luna Overview

Company Overview

- Leading global entertainment company with a strong and diversified presence in motion picture production and distribution, television programming and syndication, home entertainment, family entertainment, digital distribution, new channel platforms and international distribution and sales
- Has become one of the major independent studios for leading intellectual property owners, third-party distributors and digital platforms
- The Company’s feature films have grossed more than \$7 billion at the global box office over the past four years, and Luna and its predecessor companies have earned 77 Academy Award® nominations and 20 Oscar wins
- 16,000-title film and television library, one of the biggest content catalogues in the world
- Focused on expanding into location-based entertainment, video games and virtual reality to extend the longevity of existing franchises awhile identifying developing new properties

Recent Developments

- June 2016 – The Company announces it is seeking acquisitions
- April 2016 – Confirmed significant output agreement with Fox Networks Group’s Pay TV and Basic Cable channels across LatAm
- March 2016 – Announced partnership with Comic-Con International for newly named subscription video-on-demand (SVOD) platform
- February 2016 – Luna rumored to be seeking acquisition of Saturn
- January 2016 – Investments in film ticketing company Atom Tickets and video gaming company Next Games Oy
- November 2015 – Acquired majority stake in Pilgrim Studios, Inc.

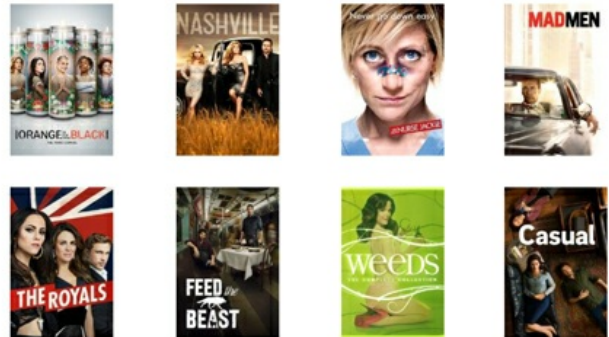
Source: Wall Street Research, Company Filings, Company Website.

Illustrative Key Properties






Earned 70 Academy Award Nominations and 20 Academy Award Wins



Earned 186 Emmy nominations and 29 Primetime Emmy wins



Luna Business Segments Overview

Segment	Description
<p>MOVIES</p> 	<ul style="list-style-type: none"> • Diverse theatrical slate of tentpole, star-driven event films and branded properties includes 15 – 20 wide releases each year from its Luna and Summit Entertainment labels, and another 25 or more films annually from the Company’s other six labels and partnerships • Has released three of the four biggest young adult franchises of the past decade • Reaches a global audience through an international distribution infrastructure in the UK, Latin America and nearly 20 theatrical output agreements globally, and strong distribution partnerships with leading companies in China and India
<p>TV</p> 	<ul style="list-style-type: none"> • Leading supplier of premium content to cable, broadcast and digital platforms • Grown from \$8mm in revenue in 2000 to nearly \$700mm in fiscal 2016, a compounded annual growth rate of over 20% • Programming roster includes nearly 80 shows on 40 different U.S. networks with 15 new scripted series planned for this year • Building a nonfiction business alongside its premium scripted programming, with its investment in leading reality producer Pilgrim Studios • Has become a leading source of content for its own portfolio of channels as well (<i>Graves / EPIX; Nightcap / POP, etc.</i>)
<p>HOME ENTERTAINMENT</p> 	<ul style="list-style-type: none"> • New distribution and replication agreements with Fox and Cinram • Capitalizes on new technology, pioneering new business models and creating new windowing and pricing strategies to adapt to changing viewer habits • Home Ent. business finished among the top five major studios in 2012, driven by <i>Hunger Games</i> and <i>Twilight</i> franchises
<p>CHANNELS</p> 	<ul style="list-style-type: none"> • Launched its emerging channel business in 2006 as an extension of its growing content business, taking equity positions in nine branded channels globally • [REDACTED]
<p>INTERNATIONAL</p> 	<ul style="list-style-type: none"> • Global network of output deals with blue-chip partners in France, Germany, Spain, Benelux, Scandinavia, Russia, Poland and Austria/New Zealand that mitigate risk and increase the Company’s international theatrical visibility • Operates a self-distribution company in the U.K. and a JV with IDC serving the LatAm marketplace • Partnered with Astro’s Celestial Pictures serving Asia and with Universal Pictures for film distribution and Celestial Tiger for Channel delivery in India

Source: Company Website, Wall Street Research.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Management Team & Board of Directors

Management Team



Jon Feltheimer
Chief Executive Officer



Michael Burns
Vice Chairman



Steve Beeks
Co-Chief Operating Officer & Co-President, Motion Picture Group



Brian Goldsmith
Co-Chief Operating Officer



Wayne Levin
General Counsel and Chief Strategic Officer



James W. Barge
Chief Financial Officer

Board of Directors

Michael Burns
Vice Chairman

Dr. John C. Malone
Chairman of the Board, Liberty Media Corporation

Gordon Crawford
Formerly, Senior Vice President, Capital Research Management

G. Scott Paterson
Vice Chairman, NeuLion Inc.

Arthur Evrensel
Partner, Michael, Evrensel & Pawar LLP

Mark H. Rachesky, M.D.
President and Founder, MHR Fund Management LLC

Jon Feltheimer
Chief Executive Officer

Daryl Simm
Chairman and CEO, Omnicom Media Group

Emily Fine
Principal, MHR Fund Management LLC

Hardwick Simmons
Formerly Chairman and CEO, NASDAQ

Michael T. Fries
President and Chief Executive Officer, Liberty Global

Phyllis Yaffe
Formerly CEO, Alliance Atlantis Communications

Harald Ludwig
President and CEO, Malcuan Capital Corporation

David M. Zaslav
Chief Executive, Discovery Communications

Luna Shareholder Summary

- John Malone owns an effective 5% of Luna through his pro-rata voting interests in Discovery Communications (29% of voting rights) and Liberty Global (26% of voting rights)
- Malone and his affiliates have four board seats at Luna equivalent to 29% of the directors
 - Affiliates include Luna CEO Jon Feltheimer (who sits on the board of Saturn), Liberty CEO Michael Fries, and Discovery CEO David Zaslav

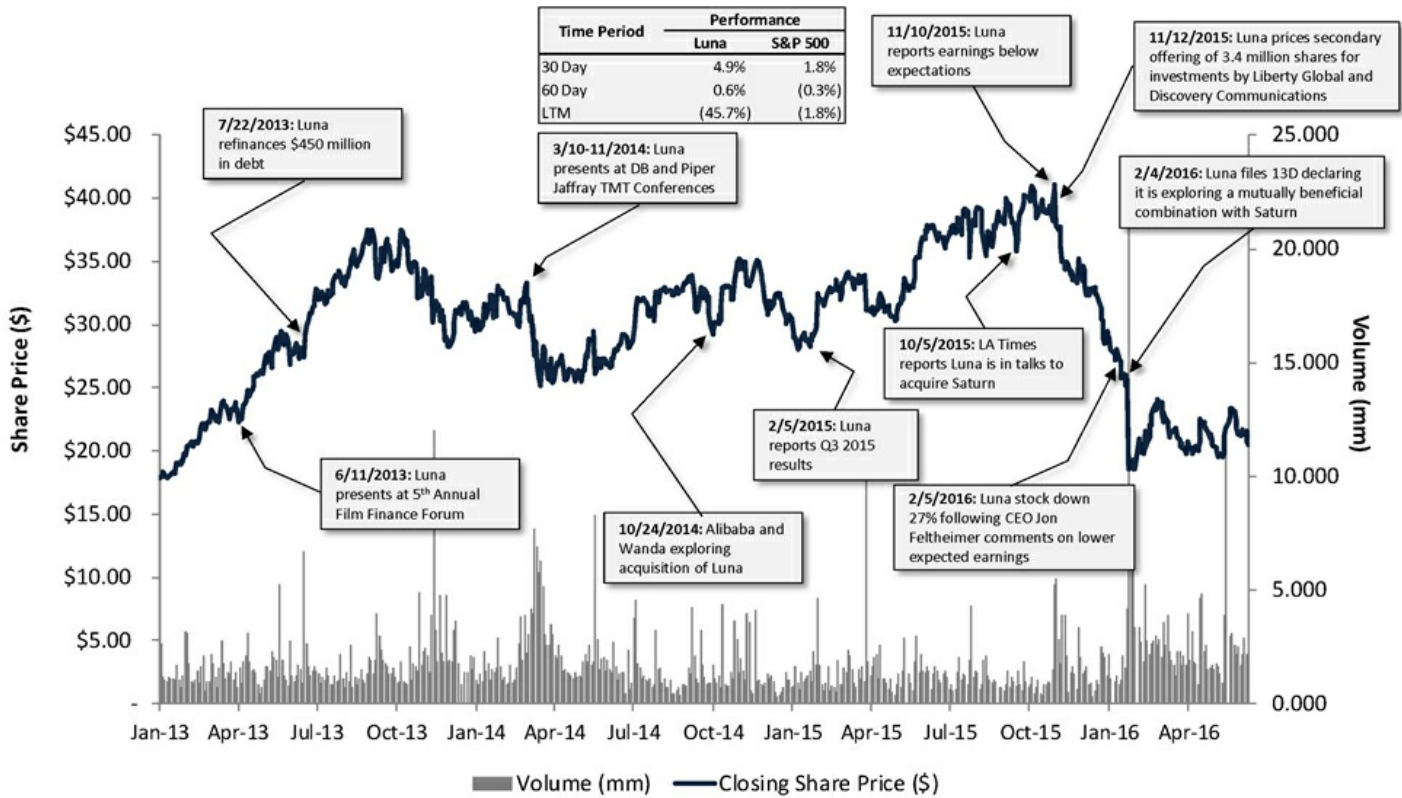
Shareholder	Shares	%	Saturn Shareholder?
MHR Fund Management	30,211,049	20.5%	
Capital World Investors	8,819,000	6.0%	
Fidelity Management & Research Company	8,468,505	5.8%	✓
Capital Research Global Investors	7,829,000	5.3%	
The Vanguard Group	7,403,290	5.0%	✓
Naya Management	5,443,495	3.7%	✓
Discovery Communications, Inc.	5,000,000	3.4%	
Liberty Global	5,000,000	3.4%	
John Malone	4,967,695	3.4%	✓
Kornitzer Capital Management	4,613,348	3.1%	
Fairpointe Capital	4,397,602	3.0%	
Shapiro Capital Management	3,341,300	2.3%	
BlackRock	3,145,992	2.1%	✓
Jefferies	3,103,300	2.1%	
LLBH Private Wealth Management	3,051,416	2.1%	
Matrix Capital Management Company	2,786,400	1.9%	
Neuberger Berman	2,315,179	1.6%	✓
ClearBridge Investments	2,231,884	1.5%	✓
Calamos Advisors	1,951,074	1.3%	
Michael Raymond Burns	1,693,356	1.2%	
Other	31,454,912	21.4%	
Total	147,227,797	100.0%	

Source: Company filings, Thomson One.
Note: As of 6/10/2016.

 John Malone Affiliated Shareholders

Luna Stock Price Performance

Since January 14, 2013 (Date of Saturn Spin-off from Liberty Media)

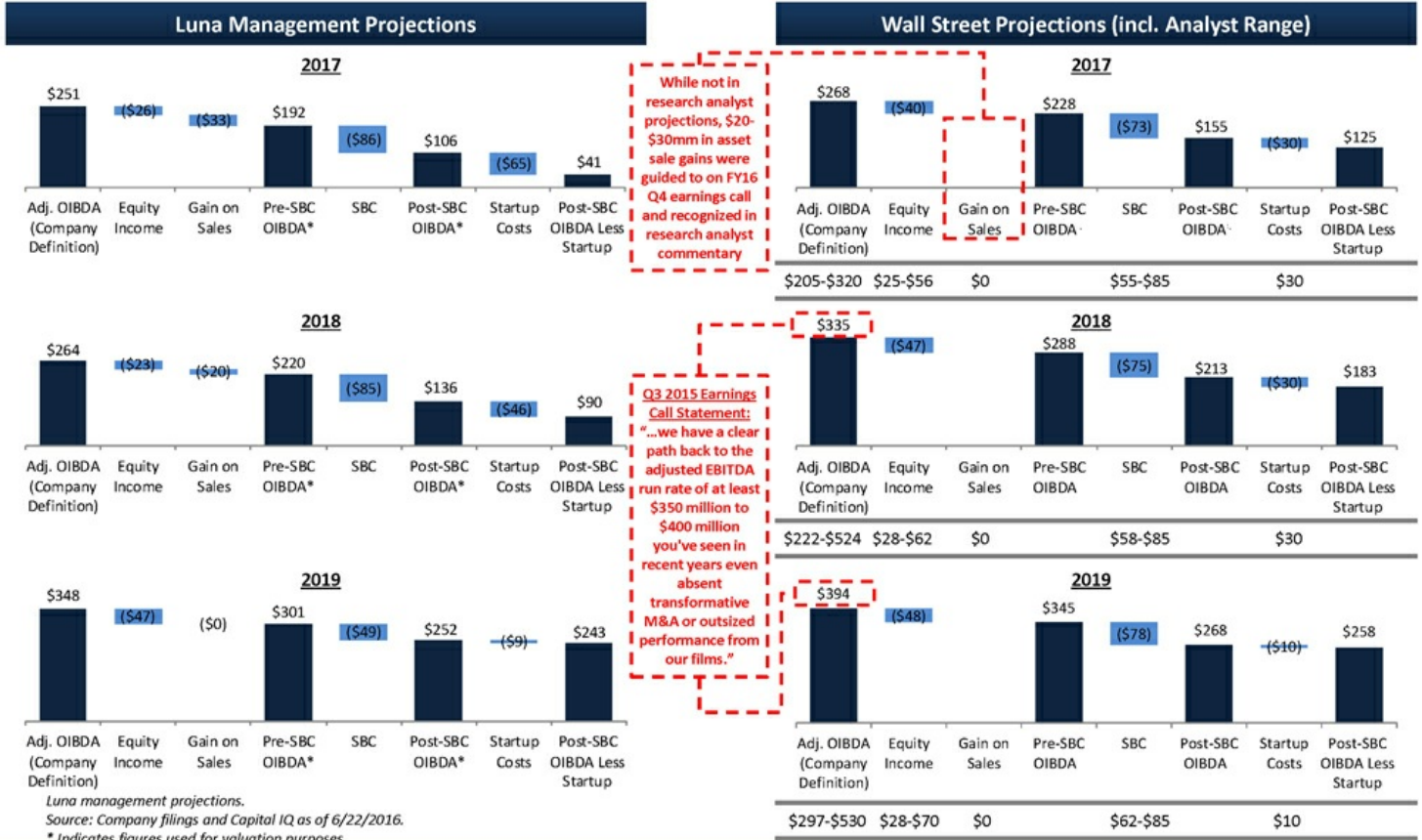


Source: Capital IQ as of 6/22/2016.

Luna Management Plan vs. Wall Street Summary

Luna Management Projections and Wall Street Research Projections

(\$ in millions) | Fiscal Years Ended 3/31

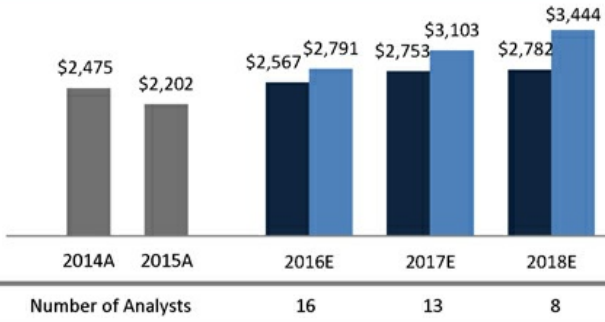


Luna Calendar Year Financial Summary

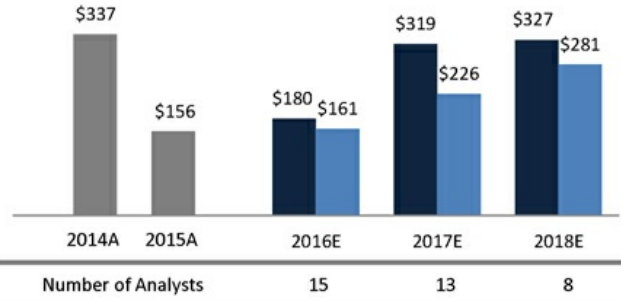
Luna Management Projections and Wall Street Research Projections

(\$ in millions) | Calendar Years Ended 12/31

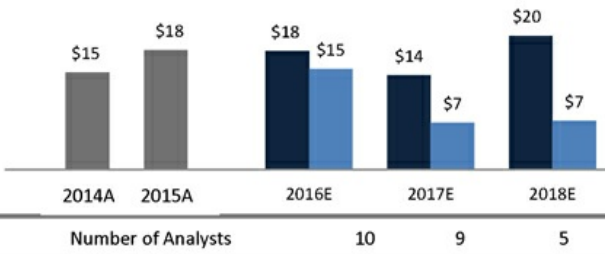
Revenue



Pre-SBC OIBDA¹



Capex



Post-SBC OIBDA¹



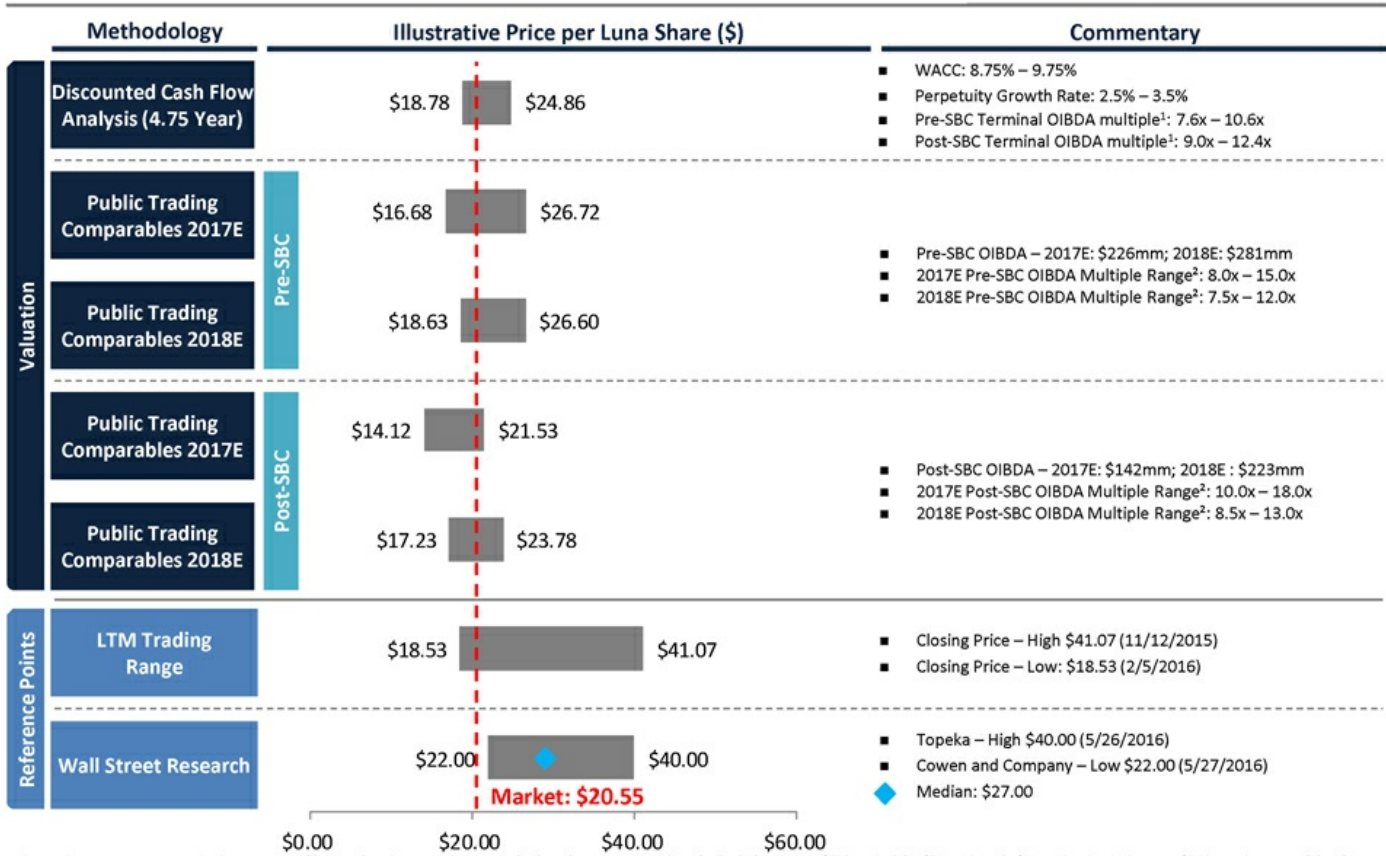
■ Luna Management Case ■ Consensus Estimates

Luna management projections.
 Source: Company filings and Capital IQ as of 6/22/2016.
¹OIBDA excludes equity interests and gains on sales.

V. Luna – Standalone Valuation

Luna Standalone Valuation

Luna Management Projections



Source: Luna management projections, company filings and equity research. Equity value based on treasury stock method calculated using \$786mm in debt, \$58mm in cash, \$91mm in minority interest, \$1,101mm in unconsolidated assets, and \$102mm of convertible debt (\$42mm, converting at a strike price of \$10.26 and \$60mm, converting at a strike price of \$29.32).

Note: As of 6/22/2016. OIBDA excludes equity from affiliates.

¹ 2020E Terminal OIBDA Multiple adjusted for NPV for Luna tax rate differential vs. US peers.

² Includes NPV adjustment for Luna tax rate differential vs. US peers (see appendix for detail).

Luna Standalone Discounted Cash Flows Analysis

Luna Management Projections

(\$ in millions)

Unlevered Free Cash Flow Overview

	Management Model			Management Extrapolation		Terminal
	Q2 - Q4 2016	2017E	2018E	2019E	2020E	
Revenue	\$2,000	\$3,103	\$3,444	\$3,474	\$3,452	\$3,452
% Growth		11.2%	11.0%	0.9%	(0.7%)	
Pre-SBC OIBDA	\$131	\$226	\$281	\$314	\$318	\$318
% Margin	6.6%	7.3%	8.2%	9.0%	9.2%	9.2%
Less: Stock Based Compensation ¹	(65)	(84)	(58)	(48)	(47)	(47)
Post-SBC OIBDA	\$66	\$142	\$223	\$266	\$271	\$271
Less: Acquisition Costs & Restructuring ¹	(3)	(2)	(0)	0	0	0
Less: Non-Cash Costs ¹	(44)	(18)	(21)	(19)	(19)	(19)
Less: D&A ¹	(12)	(19)	(18)	(18)	(18)	(18)
EBIT	\$8	\$104	\$184	\$230	\$234	\$234
Less: Taxes @ 15.0%	(1)	(16)	(28)	(34)	(35)	(35)
Unlevered Net Income	\$7	\$88	\$156	\$195	\$199	\$199
Plus: D&A	12	19	18			18
Plus: Non-Cash Costs Adj.	58	23	22			19
Plus: Content Amort. / (Investment)	(133)	101	(13)			0
Less: Capex	(9)	(7)	(7)			(18)
Less: Change in Working Capital	30	7	(50)			0
Unlevered Free Cash Flow	(\$35)	\$231	\$125	\$204	\$228	\$218
% Growth		NA	(46%)	63%	12%	

Management Unlevered Pre-Tax FCF to DCF Unlevered FCF Bridge

	Q2 - Q4 2016	2017E	2018E	2019E	2020E	Source
Unlevered Pre-Tax FCF (From Company)	(2)	286	194	284	311	Luna Management FY 17 - FY 2021
Less: SBC	(65)	(84)	(58)	(48)	(47)	Luna Management FY 17 - FY 2019, extrapolation thereafter
Less: Calculated Unlevered Taxes	(1)	(16)	(28)	(34)	(35)	Calculation @ 15% Tax Rate
Plus: Startup Costs	33	45	17	2	0	Luna Management FY 17 - FY 2019, assumed \$0 thereafter
Unlevered Free Cash Flow (DCF)	(\$35)	\$231	\$125	\$204	\$228	Calculation

Source: Detailed Luna management projections provided through 3/31/2021 with extrapolation provided for Unlevered Pre-Tax FCF, Company Defined Adjusted OIBDA and Revenue.

Note: Luna management projections.

¹ CY2019 - 2020 based on extrapolation.

Luna Standalone Discounted Cash Flows Analysis (Cont'd)

Luna Management Projections
(\$ per Share, except multiples)

Implied Price Per Share

Discount Rate	Implied Price per Share ¹				
	Perpetuity Growth Rate				
	2.50%	2.75%	3.00%	3.25%	3.50%
8.75%	\$21.67	\$22.39	\$23.17	\$24.01	\$24.86
9.00%	20.86	21.52	22.24	23.02	23.86
9.25%	20.11	20.72	21.38	22.09	22.86
9.50%	19.42	19.98	20.59	21.24	21.94
9.75%	18.78	19.29	19.85	20.45	21.10

Excluding Tax Adj.²

Implied Terminal Multiple ('20E Pre-SBC OIBDA) - Excl. Tax Adj.					
Discount Rate	Perpetuity Growth Rate				
	2.50%	2.75%	3.00%	3.25%	3.50%
8.75%	11.7x	12.2x	12.8x	13.4x	14.1x
9.00%	11.3	11.7	12.3	12.8	13.4
9.25%	10.9	11.3	11.8	12.3	12.9
9.50%	10.5	10.9	11.3	11.8	12.4
9.75%	10.1	10.5	10.9	11.4	11.9

Implied Terminal Multiple ('20E Post-SBC OIBDA) - Excl. Tax Adj.					
Discount Rate	Perpetuity Growth Rate				
	2.50%	2.75%	3.00%	3.25%	3.50%
8.75%	13.8x	14.4x	15.0x	15.7x	16.5x
9.00%	13.2	13.8	14.4	15.1	15.8
9.25%	12.8	13.3	13.9	14.5	15.1
9.50%	12.3	12.8	13.3	13.9	14.5
9.75%	11.9	12.4	12.9	13.4	14.0

Including Tax Adj.²

Implied Terminal Multiple ('20E Pre-SBC OIBDA) - Incl. Tax Adj.					
Discount Rate	Perpetuity Growth Rate				
	2.50%	2.75%	3.00%	3.25%	3.50%
8.75%	8.8x	9.2x	9.6x	10.1x	10.6x
9.00%	8.5	8.8	9.2	9.7	10.1
9.25%	8.2	8.5	8.9	9.3	9.7
9.50%	7.9	8.2	8.5	8.9	9.3
9.75%	7.6	7.9	8.2	8.6	8.9

Implied Terminal Multiple ('20E Post-SBC OIBDA) - Incl. Tax Adj.					
Discount Rate	Perpetuity Growth Rate				
	2.50%	2.75%	3.00%	3.25%	3.50%
8.75%	10.4x	10.8x	11.3x	11.9x	12.4x
9.00%	10.0	10.4	10.9	11.4	11.9
9.25%	9.6	10.0	10.4	10.9	11.4
9.50%	9.3	9.6	10.0	10.5	10.9
9.75%	9.0	9.3	9.7	10.1	10.5

Source: Detailed Luna management projections provided through 3/31/2021 with extrapolation provided for Unlevered Pre-Tax FCF, Company Defined Adjusted OIBDA and Revenue.

¹ Equity value calculated using \$846mm in debt (including \$60mm of convertible debt, converting at a strike price of \$29.32), \$58mm in cash, \$91mm in minority interest and \$1,101mm in unconsolidated assets. For illustrative purposes, at 9.25% WACC and 3.0% perpetuity growth, the treasury-stock fully diluted method share count is 153.0.

² NPV adjustment for Luna tax rate differential vs. US peers as of YE 2020E.

Luna Research Target Prices

Analyst Targets

Date	Firm	Valuation Methodology	Multiple Year	Rating	Target Price	% Premium to Current	% Premium to Publish Day
5/26/2016	Topeka Capital Markets	LFCF Multiple	FY2017	Buy	\$40.00	94.6%	102.4%
6/5/2016	Evercore ISI	DCF		Buy	\$32.00	55.7%	36.6%
6/7/2016	PiperJaffray	DCF		Overweight	\$30.00	46.0%	30.6%
5/27/2016	Jefferies	OIBDA Multiple	FY2018	Buy	\$29.00	41.1%	36.4%
6/6/2016	Barrington Research	OIBDA Multiple	FY2017	Outperform	\$27.00	31.4%	17.4%
5/27/2016	Macquarie	OIBDA Multiple	FY2018	Outperform	\$27.00	31.4%	27.0%
5/26/2016	JP Morgan	P/E Multiple	FY2018	Overweight	\$26.00	26.5%	31.6%
5/27/2016	Goldman Sachs	Blended ¹	CY2017	Neutral	\$24.00	16.8%	12.9%
5/27/2016	RBC Capital Markets	OIBDA Multiple	CY2016/17	Sector Perform	\$23.00	11.9%	8.2%
5/27/2016	Cowen and Company	Blended ²		Market Perform	\$22.00	7.1%	1.1%
Average					\$28.00	36.3%	30.4%
Median					\$27.00	31.4%	28.8%
Current Trading Price					\$20.55		

Source: Wall Street Research and Bloomberg. Current trading price as of 6/22/2016.


¹ Blended valuation methodology of 85% EBITDA Multiple and 15% M&A.

² Blended valuation methodology including DCF, P/E Multiple, OIBDA Multiple, and Sum-of-the-Parts.

Research Studio Sum-of-the-Parts Analysis

Diversified Media Studio Segments

Company	Analyst	Date	Multiple
	Credit Suisse	5/3/2016	8.5x 2017E EBITDA
	Morgan Stanley <i>(Fair Market Value)</i>	5/2/2016	10.2x 2016E EBITDA / 9.8x 2017E EBITDA
	Morgan Stanley <i>(Market Value)</i>	4/28/2016	26.2x 2017E EBITDA
	Wedbush	4/28/2016	13.0x 2016E/2017E EBITDA
	RBC Capital Markets	4/7/2016	15.0x 2016E/2017E EBITDA
	RBC Capital Markets	4/7/2016	9.0x 2016E/2017E EBITDA

Company	Analyst	Date	Multiple
	RBC Capital Markets	4/7/2016	13.5x 2016E/2017E EBITDA
	RBC Capital Markets	4/7/2016	11.5x 2016E/2017E EBITDA
	Credit Suisse	2/2/2016	9.9x 2016E EBITDA
	UBS	8/6/2015	28.0x 2016E EBITDA
	Wedbush	5/5/2015	11.0x 2016E/2017E EBITDA

Source: Wall Street research.

Luna Comparable Companies Analysis

(\$ in millions, except per share values) | Calendar Years Ended 12/31

	Market Valuation				Growth Profile		Key Metrics		Valuation Metrics						Leverage		
	Stock Price ¹	% 52 Week	Equity	Adj. Enterprise	CY2016-CY2018		Post-SBC OIBDA Margin		EV / Pre-SBC OIBDA			EV / Post-SBC OIBDA			Net Debt/LTM		
	6/22/2016	High	Value	Value	Revenue	OIBDA	CY2016	CY2017	LTM	CY2016	CY2017	CY2018	LTM	CY2016	CY2017	CY2018	Pre-SBC OIBDA
Saturn - Management	\$27.80	59.7%	\$2,883	\$3,977	1.9%	9.4%	27.0%	28.6%	9.2x	8.1x	7.3x	6.5x	9.9x	8.7x	7.8x	6.8x	2.8x
Saturn - Consensus	27.80	59.7%	2,883	3,977	1.8%	13.0%	25.3%	27.5%	9.2	8.6	7.8	7.2	10.0	9.3	8.4	7.7	2.8
Luna - Management ^{2,3}	20.55	49.6%	3,143	2,401	1.0%	96.2%	2.4%	5.1%	21.6	14.9	10.6	8.5	65.9	39.6	18.1	11.5	20.2
Luna - Consensus ²	20.55	49.6%	3,143	2,401	4.4%	54.2%	4.1%	8.8%	21.6	13.3	7.5	7.3	61.7	22.9	9.9	9.6	20.2
Standalone Film Studio																	
Dreamworks ⁴	\$ 27.12	91.2%	\$ 2,501	\$ 2,864	16.7%	44.0%	12.1%	17.0%	19.2x	20.9x	13.8x	11.0x	22.5x	25.3x	15.7x	12.2x	2.1x
Cable Networks																	
Discovery	\$ 25.99	74.4%	\$ 16,145	\$ 23,070	6.0%	6.8%	36.4%	36.5%	9.5x	9.4x	8.9x	8.4x	9.7x	9.6x	9.1x	8.6x	3.1x
Scripps	63.42	92.7%	8,224	11,032	4.3%	4.0%	41.1%	41.0%	7.5	7.7	7.4	7.2	7.7	7.9	7.6	7.3	2.4
AMC Networks	58.49	67.1%	4,354	6,751	5.1%	4.4%	32.3%	32.1%	7.5	7.3	6.9	6.7	7.8	7.5	7.1	6.9	2.6
MSG Networks	16.40	19.2%	1,242	2,472	3.8%	4.8%	46.6%	46.6%	5.5	7.8	7.6	7.1	5.7	8.0	7.8	7.3	3.1
Cable Networks Median					4.7%	4.6%	38.7%	38.7%	7.5x	7.8x	7.5x	7.1x	7.7x	8.0x	7.7x	7.3x	2.8x
Diversified Media																	
Walt Disney	\$ 98.79	80.9%	\$ 162,738	\$ 176,982	5.2%	5.6%	30.6%	30.4%	10.3x	9.9x	9.5x	8.9x	10.6x	10.2x	9.7x	9.1x	0.9x
Time Warner	72.44	79.3%	58,365	77,350	5.4%	3.6%	28.2%	28.6%	9.4	9.2	8.5	8.5	9.6	9.4	8.7	8.7	2.7
Twenty-First Century Fox	28.92	83.3%	54,988	59,250	5.8%	8.1%	25.1%	25.4%	9.2	8.1	7.7	7.0	9.3	8.3	7.8	7.1	2.3
Viacom	44.03	65.2%	17,793	28,971	2.4%	0.8%	29.2%	29.9%	7.5	7.5	7.1	7.4	7.7	7.7	7.3	7.6	3.2
CBS	53.65	92.5%	24,915	32,506	2.8%	5.7%	23.6%	23.8%	9.6	9.0	8.8	8.1	10.1	9.5	9.3	8.5	2.3
Diversified Media Median					4.9%	5.1%	28.2%	28.6%	9.3x	8.8x	8.4x	8.1x	9.5x	9.1x	8.6x	8.5x	2.3x

Source: Public filings and Capital IQ as of 6/22/2016.

Unless otherwise noted Adj. Enterprise Value calculated as market capitalization (considering all classes of stock) plus total debt and minority interest less cash and unconsolidated assets.

¹ Stock Price reflects primary stock listing; enterprise value calculation considers all classes of stock.

² Luna debt excludes production loans and excludes in the money convertible debt. Adj. Enterprise Value adjusted for NPV of tax differential of \$520mm and unconsolidated assets of \$1,101mm (see appendix for detail).

³ Source: Luna management projections.

⁴ Dreamworks figures as of 4/26/2016 prior to acquisition announcement by Comcast.

VI. Luna – Combination Analysis

Luna + Saturn - \$18 Cash + 0.6784 Luna Shares

Saturn Management Projections & Luna Management Projections

(\$ in millions, except per share values) | Calendar Years Ended 12/31 | Excludes Synergies

	\$18 Cash + 0.6784 Luna Shares to Low Vote Shares				
	Luna @ Market	No Luna Voting Share Prem.		5% Luna Voting Share Prem.	
		Saturn @ Luna Offer	Pro Forma Luna	Saturn @ Luna Offer	Pro Forma Luna
Low Vote Share Price	\$20.55	\$31.94	\$20.55	\$31.60	\$20.05
% Premium to Market	0.0%	14.9%	0.0%	13.7%	(2.4%)
Equity Value	\$3,143	\$3,353	\$4,623	\$3,319	\$4,591
Plus: Total Debt	\$828	\$1,129	\$3,677	\$1,129	\$3,676
Less: Cash	(58)	(10)	(68)	(10)	(68)
Plus/Less: MI / (UA) / (NPV Tax Benefit) ¹	(1,400)	(25)	(1,425)	(25)	(1,425)
Less: Saturn Stake @ Offer	(154)	0	0	0	0
Total Enterprise Value	\$2,360	\$4,447	\$6,807	\$4,413	\$6,774
Valuation & Leverage Metrics					
Enterprise Value / 2016E Pre-SBC OIBDA	14.7x	9.1x	10.5x	9.0x	10.4x
Enterprise Value / 2017E Pre-SBC OIBDA	10.4	8.2	8.9	8.1	8.8
Enterprise Value / 2016E Post-SBC OIBDA	36.4x	9.7x	13.0x	9.6x	12.9x
Enterprise Value / 2017E Post-SBC OIBDA	16.7	8.7	10.4	8.6	10.4
2016E EPS Accretion / (Dilution)			254.9%		255.0%
2017E EPS Accretion / (Dilution)			78.6%		78.6%
Net Debt / 2016E Pre-SBC OIBDA	4.8x	2.3x	5.5x	2.3x	5.5x
Economic Ownership					
Luna	100.0%	0.0%	68.0%	0.0%	68.0%
Saturn	0.0%	100.0%	32.0%	100.0%	32.0%
Non-Luna Saturn Series A Shareholders	0.0%	88.5%	27.9%	88.5%	27.9%

Assumes \$1.7bn of cash to Saturn S/Hs

Source: Company management projections and Luna management projections. Current trading price as of 6/22/2016. Balance sheets as of 3/31/2016.

Note: Assumes \$86mm of incremental interest per latest financing grid. Assumes transaction is financed with the debt contemplated by the debt financing commitment papers.

¹ Luna unconsolidated investment in Saturn valued at offer valuation. Includes \$520mm NPV adjustment for Luna tax rate differential vs. US peers (see appendix for detail).

Saturn + Luna Pro Forma DCF – Luna PF Price

Annual Cost Synergy Range of Low (\$50mm) to High (\$75mm) & Annual Tax Synergies (\$50mm)
(\$ per Share)

Implied Value to Pro Forma Luna Low Vote Shares – No Luna High to Low Vote Premium

Implied Value to Pro Forma Luna Low Vote Shares – 5% Luna High to Low Vote Premium

Without Synergies

Implied Value per PF Luna Low Vote Share (No High Vote Prem.)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$21.74	\$22.75	\$23.83	\$24.93	\$26.11
8.75%	20.57	21.51	22.51	23.58	24.68
9.00%	19.49	20.35	21.27	22.27	23.34
9.25%	18.47	19.27	20.13	21.05	22.03
9.50%	17.52	18.26	19.06	19.91	20.82

Implied Value Per PF Luna Low Vote Share (5% High Vote Prem.)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$21.35	\$22.34	\$23.41	\$24.54	\$25.74
8.75%	20.21	21.12	22.11	23.17	24.29
9.00%	19.14	19.99	20.90	21.87	22.92
9.25%	18.14	18.93	19.77	20.67	21.64
9.50%	17.21	17.94	18.72	19.56	20.45

Low Synergies

Implied Value per PF Luna Low Vote Share (No High Vote Prem.)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$26.19	\$27.13	\$28.15	\$29.24	\$30.42
8.75%	24.98	25.85	26.78	27.79	28.87
9.00%	23.84	24.65	25.51	26.44	27.43
9.25%	22.70	23.50	24.33	25.18	26.10
9.50%	21.63	22.38	23.17	24.01	24.86

Implied Value Per PF Luna Low Vote Share (5% High Vote Prem.)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$25.71	\$26.66	\$28.04	\$28.92	\$30.12
8.75%	24.49	25.37	26.32	27.34	28.56
9.00%	23.34	24.17	25.05	25.99	27.00
9.25%	22.24	23.02	23.86	24.73	25.66
9.50%	21.20	21.93	22.71	23.54	24.42

High Synergies

Implied Value per PF Luna Low Vote Share (No High Vote Prem.)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$27.15	\$28.09	\$29.11	\$30.19	\$31.37
8.75%	25.91	26.78	27.71	28.72	29.80
9.00%	24.75	25.55	26.41	27.34	28.34
9.25%	23.64	24.40	25.20	26.06	26.98
9.50%	22.55	23.29	24.07	24.86	25.71

Implied Value Per PF Luna Low Vote Share (5% High Vote Prem.)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$26.66	\$27.96	\$28.76	\$29.86	\$31.05
8.75%	25.41	26.29	27.23	28.38	29.48
9.00%	24.25	25.06	25.93	26.87	28.23
9.25%	23.13	23.91	24.72	25.59	26.52
9.50%	22.07	22.80	23.58	24.39	25.25

Source: Company management projections and Luna management projections.

Note: Equity value based on treasury stock fully diluted method calculated using a combined \$3,880mm in debt (including \$60mm of convertible debt, converting at a strike price of \$29.32), \$68mm in cash, \$91mm in minority interest and \$995mm in unconsolidated assets (excludes Luna-owned Saturn shares). Assumes transaction is financed with the debt contemplated by the debt financing commitment papers.

Saturn + Luna PF DCF – Consideration to Saturn Series A S/H

Annual Cost Synergy Range of Low (\$50mm) to High (\$75mm) & Annual Tax Synergies (\$50mm)
(\$ per Share) | Consideration of \$18.00 Cash + 0.6784x PF Luna No Vote Shares

Consideration to Saturn Series A Shareholders – No Luna High to Low Vote Premium

Consideration to Saturn Series A Shareholders – 5% Luna High to Low Vote Premium

Without Synergies

Implied Consideration to Saturn A S/H (No High Vote Premium)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$32.75	\$33.43	\$34.17	\$34.91	\$35.71
8.75%	31.96	32.59	33.27	34.00	34.75
9.00%	31.22	31.81	32.43	33.11	33.83
9.25%	30.53	31.07	31.66	32.28	32.95
9.50%	29.88	30.39	30.93	31.51	32.12

Implied Consideration to Saturn A S/H (5% High Vote Prem.)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$32.49	\$33.16	\$33.88	\$34.65	\$35.46
8.75%	31.71	32.33	33.00	33.72	34.48
9.00%	30.99	31.56	32.18	32.84	33.55
9.25%	30.31	30.84	31.41	32.02	32.68
9.50%	29.67	30.17	30.70	31.27	31.87

Low Synergies

Implied Consideration to Saturn A S/H (No High Vote Premium)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$35.77	\$36.41	\$37.09	\$37.84	\$38.63
8.75%	34.94	35.53	36.17	36.85	37.59
9.00%	34.17	34.72	35.31	35.93	36.61
9.25%	33.40	33.95	34.50	35.08	35.71
9.50%	32.68	33.18	33.72	34.29	34.87

Implied Consideration to Saturn A S/H (5% High Vote Prem.)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$35.44	\$36.09	\$37.02	\$37.62	\$38.43
8.75%	34.62	35.21	35.86	36.55	37.38
9.00%	33.83	34.40	34.99	35.63	36.31
9.25%	33.09	33.62	34.19	34.77	35.41
9.50%	32.38	32.88	33.41	33.97	34.56

High Synergies

Implied Consideration to Saturn A S/H (No High Vote Premium)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$36.42	\$37.06	\$37.75	\$38.48	\$39.28
8.75%	35.58	36.17	36.80	37.48	38.22
9.00%	34.79	35.33	35.92	36.55	37.22
9.25%	34.04	34.56	35.10	35.68	36.30
9.50%	33.30	33.80	34.33	34.87	35.44

Implied Consideration to Saturn A S/H (5% High Vote Prem.)					
Discount Rate	Perpetuity Growth Rate				
	1.50%	1.75%	2.00%	2.25%	2.50%
8.50%	\$36.08	\$36.97	\$37.51	\$38.26	\$39.07
8.75%	35.24	35.84	36.48	37.25	38.00
9.00%	34.45	35.00	35.59	36.23	37.15
9.25%	33.69	34.22	34.77	35.36	35.99
9.50%	32.97	33.47	34.00	34.55	35.13

Source: Company management projections and Luna management projections.

Note: Equity value based on treasury stock fully diluted method calculated using a combined \$3,880mm in debt (including \$60mm of convertible debt, converting at a strike price of \$29.32), \$68mm in cash, \$91mm in minority interest and \$995mm in unconsolidated assets (excludes Luna-owned Saturn shares).

Assumes transaction is financed with the debt contemplated by the debt financing commitment papers.

Luna + Saturn Liquidity Profile

Saturn Management Model & Luna Management Model | Assuming 12/31/2016 Close

(\$ in millions) | Calendar Years Ended 12/31 | Includes Luna Synergy Estimate

(\$ in millions)	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Saturn Pre-SBC OIBDA	\$477	\$502	\$462	\$490	\$543	\$612	\$633
Luna Pre-SBC OIBDA ¹	383	337	156	161	226	281	314
Synergies (Luna Estimates)	--	--	--	--	41	52	52
PF Pre-SBC OIBDA (Incl. Synergies)	\$859	\$839	\$618	\$651	\$810	\$945	\$999
% Growth		(2.4%)	(26.4%)	5.4%	24.3%	16.8%	5.7%
Less: Combined Capex					(\$26)	(\$20)	(\$20)
Less: Combined Film & TV Inv. (Net of Amort.)					156	(13)	(8)
Less: NWC					(40)	(97)	(59)
Less: Other Adjustments					(47)	(17)	(2)
Less: Integration Costs					(20)	(5)	--
Unlevered Pre-Tax Cash Flows					\$852	\$798	\$909
Less: PF Interest Expense					(182)	(180)	(177)
Less: Luna Standalone Cash Taxes					(11)	(12)	(14)
Less: Saturn PF Cash Taxes					--	--	--
Free Cash Flow					\$659	\$606	\$718
Revolver				\$200	\$200	\$200	\$200
Term Loan A				1,000	950	900	830
Term Loan B				1,900	1,881	1,862	1,843
Capital Leases				63	63	63	63
Senior Notes				650	650	650	650
Convertible Notes				60	60	--	--
Total Debt				\$3,873	3,804	3,675	3,586
Cash				197	856	1,462	2,180
Total Debt / PF Pre-SBC OIBDA (Incl. Synergies)				5.9x	4.7x	3.9x	3.6x
Net Debt / PF Pre-SBC OIBDA (Incl. Synergies)				5.6	3.6	2.3	1.4

Source: Company management projections and Luna management projections.

Note: Assumes interest rate per latest financing grid. Assumes transaction is financed with the debt contemplated by the debt financing commitment papers.

¹ Excludes equity income from affiliates and gain on sales of affiliates.

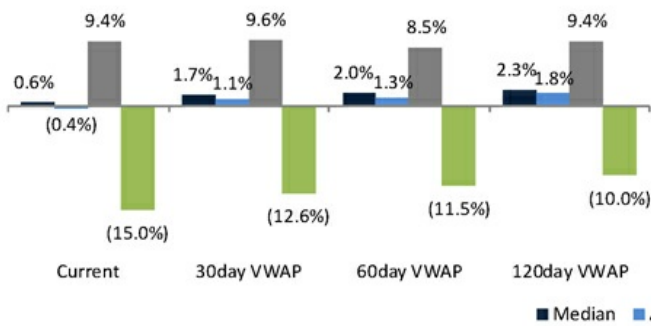
Appendix A: Dual Class Consideration

Public Trading – Market Premium

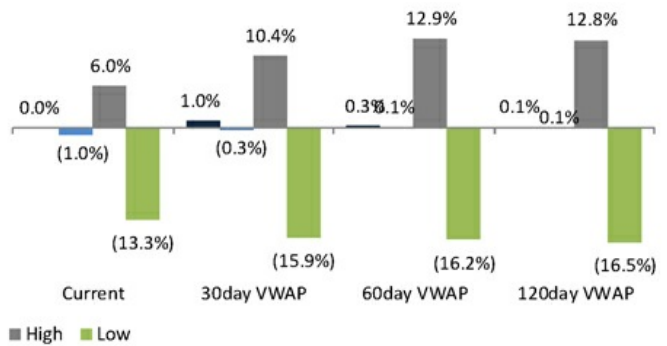
Analysis Description

- An analysis of 21 companies with differential voting rights for stock classes shows that there is typically a market premium attached to stock classes with greater voting rights.
- Analysis Criteria
 - Primary and secondary listings on major US exchanges
 - Industry classification of media or information technology or telecommunication services (TMT)

Market Premium for Vote over No-Vote¹



Market Premium for High Vote over Low Vote²



Screening criteria of companies in TMT sector with differential voting rights for primary and secondary listings on major US stock exchanges.

¹Vote over No-Vote companies: Google, Bel Fuse, [redacted] Discovery, Liberty Broadband, News Corporation, Radio One, Reading International, The Liberty Braves, Liberty Media, The Liberty SiriusXM Group, Twenty-First Century Fox, Viacom, Zillow

²High Vote over Low Vote companies: Discovery Communications, Gray Television, John Wiley & Sons, Liberty TripAdvisor Holdings, QAD, Saturn

Source: Capital IQ as of 6/22/2016.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.

Public Trading – Market Premium Detail

Comparing Vote to No Vote			Market Premium / (Discount)			
Company Name	Current Price		Vote to Non Vote			
	Vote	No Vote	Current	30day VWAP	60day VWAP	120day VWAP
Alphabet Inc.	\$710.47	\$695.94	2.1%	1.9%	2.0%	2.4%
Bel Fuse Inc.	\$16.00	\$18.83	(15.0%)	(12.6%)	(11.5%)	(10.0%)
Discovery Communications, Inc.	\$25.99	\$24.66	6.2%	6.7%	6.6%	7.5%
Liberty Broadband Corporation	\$58.77	\$59.58	(1.4%)	(0.2%)	(0.0%)	0.1%
News Corporation	\$11.86	\$11.66	1.7%	3.1%	3.5%	4.1%
Radio One Inc.	\$3.00	\$3.09	(2.9%)	(1.8%)	(2.0%)	0.1%
Reading International, Inc.	\$12.14	\$13.73	(11.6%)	(4.1%)	(1.5%)	(3.1%)
The Liberty Braves Group	\$15.42	\$15.58	(1.0%)	3.2%	3.0%	3.2%
The Liberty Media Group	\$18.61	\$18.31	1.6%	2.2%	2.1%	2.2%
The Liberty SiriusXM Group	\$30.24	\$29.96	0.9%	1.5%	1.5%	1.5%
Twenty-First Century Fox, Inc.	\$28.59	\$28.92	(1.1%)	0.5%	0.3%	0.4%
Viacom, Inc.	\$48.18	\$44.03	9.4%	9.6%	8.5%	9.4%
Zillow Group, Inc.	\$34.73	\$34.66	0.2%	1.2%	1.9%	3.5%
Low			(15.0%)	(12.6%)	(11.5%)	(10.0%)
Median			0.6%	1.7%	2.0%	2.3%
Average			(0.4%)	1.1%	1.3%	1.8%
High			9.4%	9.6%	8.5%	9.4%

Comparing High Vote to Low Vote			Market Premium / (Discount)			
Company Name	Current Price		High Vote to Low Vote			
	High Vote	Low Vote	Current	30day VWAP	60day VWAP	120day VWAP
Discovery Communications, Inc.	\$25.81	\$25.99	(0.7%)	1.0%	0.3%	0.1%
Gray Television, Inc.	\$11.09	\$10.46	6.0%	10.4%	12.9%	12.8%
John Wiley & Sons Inc.	\$51.23	\$51.04	0.4%	(1.1%)	(0.9%)	(1.6%)
Liberty TripAdvisor Holdings, Inc.	\$22.60	\$22.24	1.6%	3.0%	4.3%	5.5%
QAD Inc.	\$16.66	\$19.21	(13.3%)	(15.9%)	(16.2%)	(16.5%)
Saturn	\$27.71	\$27.80	(0.3%)	1.0%	0.2%	0.2%
Low			(13.3%)	(15.9%)	(16.2%)	(16.5%)
Median			0.0%	1.0%	0.3%	0.1%
Average			(1.0%)	(0.3%)	0.1%	0.1%
High			6.0%	10.4%	12.9%	12.8%

Source: Capital IQ as of 6/22/2016 and company filings or investor relations.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission.
Confidential treatment has been requested with respect to this omitted information.

Precedent Transactions - Differential Consideration

(\$ in millions)

Analysis Description

- Of 58 transactions with classes of stock with unequal voting since 2008, 3 transactions resulted in the high vote class receiving a premium for their shares
 - Analysis Criteria
 - All publicly announced transactions with a US or non-US public target and at least one SEC filer participant
 - Deals valued over \$100 million
 - Announced since 2008
 - Target with classes of stock with unequal voting
- Plus, select additional pre-2008 transactions that resulted in differential consideration for unequal voting classes of stock

Differential Consideration Transaction Detail

Ann. Date	Target	Acquiror	Trx. Equity Value	% High Vote Voting	Ownership Economic	High Vote to Low Vote Premium	Total Premium Consid. as % of	
							Total Consid.	Low Vote Consid.
Feb-13	Assisted Living Concepts, Inc.	TPG	\$279	59.0%	12.6%	7.5%	0.9%	1.1%
Dec-11	Delphi Financial Group, Inc.	Tokio Marine Holdings, Inc.	2,743	49.9%	12.3%	20.1%	2.4%	2.8%
Sep-09	Affiliated Computer Services, Inc.	Xerox Corporation	6,467	41.2%	6.6%	74.2%	4.6%	5.2%
Nov-04	Robert Mondavi Corporation	Constellation Brands, Inc.	1,031	83.4%	36.9%	16.5%	5.2%	8.3%
Feb-00	SFX Entertainment	Clear Channel Communications, Inc.	3,378	28.4%	3.8%	66.7%	2.5%	2.6%
Mar-99	Century Communications Corp.	Adelphia Communications Corporation	3,597	92.3%	54.5%	9.1%	4.7%	10.9%
Jun-98	Tele-Communications Inc. ¹	AT&T Corp.	36,023	56.8%	11.6%	10.0%	1.1%	1.3%
Aug-97	SFX Broadcasting, Inc.	Capstar Broadcasting Partners Inc. / Hicks, Muse, Tate & Furst, Inc.	1,108	49.3%	8.1%	30.0%	2.4%	2.6%
Aug-96	Home Shopping Network, Inc.	Silver King Communications, Inc.	1,197	74.3%	22.4%	20.0%	4.3%	5.8%
					Low	7.5%	0.9%	1.1%
					Median	20.0%	2.5%	2.8%
					Mean	28.2%	3.1%	4.5%
					High	74.2%	5.2%	10.9%
					Saturn Offer (0% PF Luna High Vote to PF Luna No Vote Premium)	4.1%	0.3%	0.3%
					Saturn Offer (5% PF Luna High Vote to PF Luna No Vote Premium)	5.2%	0.4%	0.4%

¹ TCI Group Series A and Series B consideration (excludes TCI Ventures Group and Liberty Media Group tracking stocks).

Source: Dealpoint Data as of 6/10/2016. Public filings.

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Appendix B: Supplemental Valuation Material

Saturn WACC Analysis

(\$ in millions)

Comparable Companies	Levered Beta	Total Net Debt	Fully Diluted Equity Value	Net Debt / Equity	Net Debt / Total Cap.	Tax Rate	Unlevered Beta
Saturn	1.051	\$1,120	\$2,883	38.8%	28.0%	35.0%	0.84
Discovery	1.017	7,610	16,145	47.1%	32.0%	38.0%	0.79
Scripps	0.975	3,495	8,224	42.5%	29.8%	38.0%	0.77
AMC Networks	0.954	2,312	4,354	53.1%	34.7%	38.0%	0.72
Average	0.999	\$3,634	\$7,901	45.4%	31.1%	37.3%	0.78
Median	0.996	\$2,904	\$6,289	44.8%	30.9%	38.0%	0.78

Market Inputs	
Risk Free Rate	2.01%
Market Risk Premium	7.00%
Size Premium	1.65%
Saturn Cost of Debt	
Estimated Pre-Tax Cost of Debt	4.25%
Tax Rate	35.00%
After-Tax Cost of Debt	2.77%
Saturn Cost of Equity	
Risk Free Rate	2.01%
Unlevered Beta	0.78
Levered Beta	0.96
Market Risk Premium	7.00%
Size Premium	1.65%
Saturn Cost of Equity	10.41%

Saturn Weighted Average Cost of Capital	
Saturn Debt to Capitalization	26.81%
Saturn Equity to Capitalization	73.19%
Weighted Average Cost of Debt	0.74%
Weighted Average Cost of Equity	7.62%
Saturn WACC	8.36%

Unlevered Beta - WACC Sensitivity			
Unlevered Beta	0.75x	0.80x	0.85x
WACC	8.18%	8.49%	8.81%

Source: Risk free rate per 20yr treasury. Market and size premium per 2015 Ibbotson. Estimated pre-tax cost of debt per weighted average interest rate per company filings. Tax rate per Luna due diligence / management guidance. Financial information per Capital IQ as of 6/22/2016, company filings and Wall Street research. 5yr levered beta per Bloomberg as of 6/17/2016. Debt to capitalization based on management guided future Net Debt to OIBDA target of 2.5x.

Luna WACC Analysis

(\$ in millions)

Comparable Companies	Levered Beta	Total Net Debt	Fully Diluted Equity Value	Net Debt / Equity	Gross Debt / Total Cap.	Tax Rate	Unlevered Beta
Luna	0.903	\$788	\$3,143	25.1%	20.0%	15.0%	0.74
Saturn	1.051	\$1,120	\$2,883	38.8%	28.0%	35.0%	0.84
██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Walt Disney	1.093	16,138	162,738	9.9%	9.0%	38.0%	1.03
Time Warner	0.965	22,254	58,365	38.1%	27.6%	38.0%	0.78
Twenty-First Century Fox	1.081	14,752	54,988	26.8%	21.2%	38.0%	0.93
Viacom	1.197	12,518	17,793	70.4%	41.3%	38.0%	0.83
Discovery	1.017	7,610	16,145	47.1%	32.0%	38.0%	0.79
Scripps	0.975	3,495	8,224	42.5%	29.8%	38.0%	0.77
AMC Networks	0.954	2,312	4,354	53.1%	34.7%	38.0%	0.72
Average							
Median							

Market Inputs	
Risk Free Rate	2.01%
Market Risk Premium	7.00%
Size Premium	1.65%
Luna Cost of Debt	
Estimated Pre-Tax Cost of Debt	4.39%
Tax Rate	15.00%
After-Tax Cost of Debt	3.73%
Luna Cost of Equity	
Risk Free Rate	2.01%
Unlevered Beta	0.81
Levered Beta	0.98
Market Risk Premium	7.00%
Size Premium	1.65%
Luna Cost of Equity	10.51%

Luna Weighted Average Cost of Capital	
Luna Debt to Capitalization	19.60%
Luna Equity to Capitalization	80.40%
Weighted Average Cost of Debt	0.73%
Weighted Average Cost of Equity	8.45%
Luna WACC	9.18%

Unlevered Beta - WACC Sensitivity			
Unlevered Beta	0.75x	0.80x	0.85x
WACC	8.77%	9.11%	9.45%

Source: Risk free rate per 20yr treasury. Market and size premium per 2015 Ibbotson. Estimated pre-tax cost of debt per weighted average interest rate per company filings. Tax rate per Luna due diligence / management guidance. Financial information per Capital IQ as of 6/22/2016, company filings and Wall Street research. 5yr levered beta per Bloomberg as of 6/17/2016. Target debt to cap using current company capitalization.

Confidential information has been omitted and filed separately with the Securities and Exchange Commission.
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Luna Perpetuity Growth Rate Analysis

Illustrative Extrapolation to 'Steady State' Growth

(\$ in millions)

Unlevered Free Cash Flow Overview

	Management		Extrapolation				Terminal Year ¹	
	Calendar Year Ended December 31,						2020E	2024E
	2019E	2020E	2021E	2022E	2023E	2024E		
Unlevered Free Cash Flow	\$204	\$228	\$251	\$271	\$287	\$299	\$218	\$288
% Growth	63%	12%	10%	8%	6%	4%		

Implied Perpetuity Growth Rate @ 2020E

Implied Perpetuity Growth Rate @ 2020E					
Discount Rate	Perpetuity Growth Rate @ 2024E				
	1.00%	1.25%	1.50%	1.75%	2.00%
8.75%	2.5%	2.7%	2.8%	3.0%	3.2%
9.00%	2.6%	2.7%	2.9%	3.0%	3.2%
9.25%	2.6%	2.8%	2.9%	3.1%	3.2%
9.50%	2.7%	2.8%	3.0%	3.1%	3.3%
9.75%	2.7%	2.9%	3.0%	3.2%	3.3%

¹ Terminal year free cash flow adjusted for ~\$10mm difference in capex and D&A in final year of cash flow projections.

Luna Unconsolidated Assets Backup Summary

(\$ in millions)

Asset	Total Value	Ownership	Value	Commentary
Epix	\$2,000	31.2%	\$624	See below summary
POP	453	50.0%	227	See below summary
Celestial Tiger	135	16.0%	22	Per Luna mgmt. diligence
Defy Media	275	15.8%	43	Per Luna mgmt. diligence, based on latest Defy financing
Next Games		NA	2	Per company filings (latest 10K), valued at cost
Telltale Games	286	14.0%	40	Per company filings (latest 10K), valued at cost
Atom Tickets		19.5%	12	Per company filings (latest 10K), valued at cost
Total (excl. Market Value of Saturn)			\$970	
	<u>Shares (mm)</u>	<u>Price</u>		
Saturn Series A Shares Owned	2.1	\$27.80	\$59	
Saturn Series B Shares Owned	2.6	\$27.71	72	
Total Unconsolidated Assets			\$1,101	

Analyst	Epix		
	Value	Luna Own%	Value
Evercore (6/05/2016)	\$1,853	31.2%	\$578
UBS (VIAB 4/22/2016)	2,206	31.2%	688
RBC (VIAB 4/29/2016)	2,264	31.2%	706
Wedbush (VIAB 4/28/2016)	1,848	31.2%	577
LTM OIBDA Multiple @ 10x ¹	1,681	31.2%	525

Analyst	POP		
	Value	Luna Own%	Val
Wunderlich (5/27/2016)	\$618	50.0%	\$309
Evercore (6/05/2016)	504	50.0%	252
Evercore (CBS 6/05/2016)	238	50.0%	119
Average	\$453		\$227

Source: Wall Street Research, Publicly Available Data as of 6/22/2016.

¹ Per Luna company filings, EPIX FY 2016 operating income of \$168mm.

Luna Tax Benefit Analysis

Present Value of Tax Benefits

(\$ in millions)

Net Cash Flow from Luna Tax Differential

	Q2 - Q4 2016	2017E	2018E	2019E	2020E	Terminal Value
Pre-tax Income	(13)	13	176	227	229	229
Tax Differential	0	3	40	52	53	53

Net Present Value of Tax Benefit

Discount Rate	Net Present Value of Tax Benefit				
	Perpetuity Growth Rate				
	2.50%	2.75%	3.00%	3.25%	3.50%
8.75%	\$536	\$555	\$575	\$597	\$622
9.00%	511	528	547	567	588
9.25%	488	504	520	538	558
9.50%	467	481	496	513	530
9.75%	447	460	474	489	505

Source: Luna management.

¹ Assumes tax differential of Saturn (38%) and Luna effective, per management of 15%.

Appendix C: Synergy Analyses

Saturn + Luna Synergy Analysis

\$50 - \$75mm of Cost Synergies and \$50mm of Recurring Tax Synergies – Management Estimates

(\$ in millions)

Recurring Synergies (Low Synergies)

(\$ in millions)	Q2-Q4 '16E	2017E	2018E	2019E	2020E
Cost Synergies	--	\$25	\$50	\$50	\$50
Less: Integration Costs	--	(19)	(5)	--	--
EBT (incl. Integration Costs)	\$0	\$6	\$45	\$50	\$50
Less: Taxes @ 15.0%	--	(1)	(7)	(8)	(8)
Plus: Tax Synergies	--	50	50	50	50
Unlevered Free Cash Flow	\$0	\$55	\$88	\$93	\$93

Cost Synergy Detail

	2016 Expenses	2016 Expenses		
		100.0%	75.0%	66.7%
Networks Segments				
Salaries, Taxes & Benefits				
Legal	\$7.7	\$7.7	\$5.8	\$5.1
F&A	4.9	4.9	3.7	3.3
Facilities	1.0	1.0	0.8	0.7
Executive	2.4	2.4	1.8	1.6
HR	3.0	3.0	2.3	2.0
Strategy	1.1	1.1	0.8	0.7
IT - Service & Support	5.5	5.5	4.1	3.7
IT - Developers	11.1	11.1	8.3	7.4
		0.0	0.0	0.0
T&E/office expenses	1.6	1.6	1.2	1.1
Public Co Expenses	6.7	6.7	5.0	4.5
Consumer Marketing Efficiencies	7.5	7.5	5.6	5.0
Subtotal Distribution Segment	\$52.5	\$52.5	\$39.4	\$35.0
Distribution Segment				
Distribution G&A (no allocation)	\$17.2	\$17.2	\$12.9	\$11.5
Distribution Efficiencies	4.1	4.1	3.1	2.7
Subtotal Distribution Segment	\$21.3	\$21.3	\$16.0	\$14.2
Total Synergies		\$73.8	\$55.4	\$49.2

Synergy Sensitivity

Discount Rate	NPV of Synergies Components			Ann. Tax Syn. \$50.0
	Annual Cost Synergies \$50.0	\$62.5	\$75.0	
8.50%	\$464	\$580	\$695	\$576
8.75%	449	562	674	560
9.00%	436	545	654	544
9.25%	423	529	635	529
9.50%	411	514	617	515

Discount Rate	Total Synergy NPV		
	Annual Cost Synergies \$50.0	\$62.5	\$75.0
8.50%	\$1,040	\$1,156	\$1,272
8.75%	1,009	1,121	1,234
9.00%	980	1,089	1,198
9.25%	952	1,058	1,164
9.50%	926	1,029	1,132

Source: Company management projections and Luna management projections as reviewed and approved for use by company management.

Integration costs and phase-in per Luna estimates.

Note: Assumes transaction is financed with the debt contemplated by the debt financing commitment papers.