



# PRESS RELEASE

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## **KERASOTES THEATRES SECURES \$75 MILLION IN NEW CAPITAL**

### **New Financing Will Fund Theatre Expansion and Future Growth**

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**CHICAGO, IL, June 30, 2003** – Kerasotes Theatres, North America’s ninth largest motion picture exhibition company, announced today that it has received a \$75 million equity investment from Providence Equity Partners Inc., one of the world's leading private investment firms. Kerasotes Theatres will use the new financing to fund the expansion of the Company’s circuit of theatres.

“With this additional financing and the strong support of our new financial partner, Providence Equity Partners, we are well positioned to accelerate our plans to build and acquire theatres in key markets,” said Tony Kerasotes, Chief Executive Officer of Kerasotes Theatres. “We believe there are significant opportunities to build on our brand name and expand market share in mid-sized, suburban and metropolitan markets in the Midwest. We look forward to beginning the next chapter in the successful history of Kerasotes Theatres.”

Founded in 1909, Kerasotes Theatres has been a family-owned and operated business for three generations. The Company currently operates 539 screens in 77 locations across the Midwest, including Illinois, Indiana, Iowa, Ohio, Minnesota and Missouri. In addition to Providence Equity’s \$75 million investment, Kerasotes also secured a \$170 million senior credit facility through Deutsche Bank in October 2002.

“Tony and his team are seasoned operators with a strong, well-established franchise in the motion picture exhibition industry,” said Peter O. Wilde of Providence Equity Partners, who will join the Company’s Board. “Unlike many larger theatre operators who became over-leveraged in recent years and were burdened with significant leases,

Kerasotes has a healthy balance sheet, excellent infrastructure, strong cost controls, and they own nearly all of their real estate. We are excited to support Tony and the Kerasotes team as they build on their business in the coming years.”

Kerasotes Theatres was advised by Sidley Austin Brown & Wood and Deutsche Bank Securities, Inc. Providence Equity Partners was advised by Edwards & Angell.

**About Kerasotes Theatres**

Based in Chicago, Illinois, Kerasotes is the ninth largest motion picture exhibition company in North America with 539 screens in 77 locations across Illinois, Indiana, Iowa, Ohio, Missouri and Minnesota. The privately-held company was founded in 1909 by Gus Kerasotes and is operated by the third generation as a family owned business. Visit [www.kerasotes.com](http://www.kerasotes.com) for additional information.

**About Providence Equity Partners Inc.**

Providence Equity Partners Inc. is one of the world's leading private investment firms specializing in equity investments in media and communications companies. The principals of Providence Equity manage funds with over \$5.0 billion in equity commitments, including Providence Equity Partners IV, a \$2.8 billion private equity fund, and have invested in more than 60 companies operating in over 20 countries since the firm's inception in 1991. Providence Equity's current and previous areas of investment include cable television content and distribution, wireless and wireline telephony, publishing, radio and television broadcasting and other media and communications sectors.

Recent Providence Equity investments include Craig Media Inc., Canada's largest privately-held television broadcasting company; Bresnan Broadband Holdings, LLC, which recently acquired Comcast Corporation cable television systems serving subscribers in four Western states; the acquisition of the cable television assets of Deutsche Telekom AG; the acquisition of Casema, the Dutch cable business formerly operated by France Telecom; and eircom plc, the national fixed line telephone company of Ireland. Visit [www.provequity.com](http://www.provequity.com) for additional information.

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